

LEADERSHIP CHARACTERISTICS OF HOSPITAL CEOS:  
FACTORS THAT INFLUENCE LEADERSHIP STYLE

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by Lynn T. Janssen  
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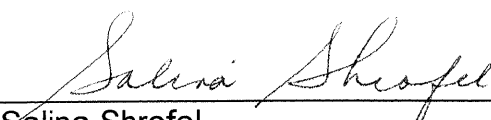
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## LEADERSHIP CHARACTERISTICS OF HOSPITAL CEOS: FACTORS THAT INFLUENCE LEADERSHIP STYLE

An abstract of a Dissertation by  
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The problem. Healthcare executives face significant challenges leading their organizations through increased consumer demands, decreased funding, regulatory intervention, and professional staff shortages. There is a need to understand the type of leadership that exists and that which would be most effective in addressing these challenges.

Procedure. Sixty-three of Iowa's 116 hospital CEOs completed the Multifactor Leadership Questionnaire (MLQ) about their leadership behaviors and traits. Additionally, 290 of their associates (superiors, peers, and subordinates) rated the CEOs using the same tool, resulting in a leadership profile for each CEO. The CEOs also completed the Rokeach Values Survey (RVS) and a six-item biographical questionnaire.

Findings. The associate raters characterized the CEOs as displaying transformational behaviors and traits fairly often (3.23, on a scale of 0-4), transactional behaviors sometimes (2.40), and passive-avoidant behaviors once in a while (0.92). Leadership styles strongly correlated with the raters' assessment of extra effort, satisfaction and perception of CEO effectiveness. Transformational leadership was highly correlated with increased levels of extra effort, satisfaction, and perception of CEO effectiveness, while high passive-avoidant scores negatively correlated with the same factors. Leadership styles, when correlated with the CEOs' values, age, gender, years of experience, leadership training, and hospital size and setting, mostly offered weak correlations of little practical value.

Conclusions. Hospital CEOs have self-perceptions, and are viewed by others as having transformational leadership qualities. Transformational leadership, which has been correlated with positive organizational outcomes, will serve hospital CEOs well as they address the needs of their organizations. Individuals concerned with recruiting and retaining hospital CEOs should consider focusing their attention on leadership style rather than the factors of age, gender, years of experience, or hospital size or setting.

Recommendations. (1) Address the relationship between leadership style and organizational outcomes. (2) Determine the degree to which transformational leadership permeates the organization. (3) Assess the value and effectiveness of transformational leadership training in healthcare settings. (4). Determine the benefit of a transformational leadership model in recruiting, retaining and supporting hospital CEOs.

## DEDICATION

*"There must be a profound recognition that parents are the first teachers and that education begins before formal schooling and is deeply rooted in the values, traditions, and norms of family and culture."*

Sara Lawrence Lightfoot, Professor

This dissertation is lovingly dedicated to my parents, Dean and Pauline Janssen and my daughters, Kaitlyn and Suzanne Peterson. Mom and Dad, you have supported every one of your eleven college-educated children as they embraced the promise of education and the life opportunities that it would open to us. You are the foundation and the inspiration that helped all of us expand our possibilities. Even when I wasn't sure I believed in myself, I was certain that you believed in me, and it made all the difference.

Kaitlyn and Suzanne, you have supported your mother's learning journey in the most selfless way. You have become bright, independent, self-sufficient young ladies who can meet life's challenges with confidence. I hope that you have learned what my parents taught me-- to persevere in order to reach a worthwhile goal.

I appreciate your support and love each of you.



## ACKNOWLEDGEMENTS

Conducting research and writing a doctoral dissertation would have been impossible without the support of my family, colleagues and friends.

This study could not have been completed without the kindness and generosity of Iowa hospital CEOs. Their dedication to improving the lives of Iowans and willingness to participate in ongoing research is a true testament to their excellent leadership. I owe a debt of gratitude to the participants, whose generosity and insights not only made this study possible, but also transformed my thinking about what matters in leadership.

Special thanks to my doctoral cohort for being a delightful, challenging, and open group of leaders; to Debra Storey Salowitz for being a fabulous editor and allowing me to keep my voice throughout; to Julie Fitzpatrick for brilliantly assuming the operations of the company so I could be free to realize my education dream; and to Mary Delagardelle who introduced me to SPSS and EndNote and the other great tools that allowed me to focus on the research and not the software, you have been my guide, support, mentor and believer in all that is possible.

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## Chapter 1

### INTRODUCTION

Today's health care executives face significant challenges while leading their organizations through increased consumer demands, decreased funding, professional staff shortages, and economic and ethical dilemmas. Executives are hungry for knowledge about how to develop and use their skills more effectively to advance society's health care needs and the goals of their organizations. Additionally, hospital boards, especially in rural underserved areas, seek guidance in supporting and selecting the most effective leaders to meet their hospitals' needs (Berger, 1996).

This study seeks to define the current state of leadership in Iowa hospitals. Leadership styles, as defined by the hospital CEOs and their associates, will be analyzed relative to the hospital's size and setting as well as the CEO's self-defined values, their age, gender, years of experience, and recent leadership training. This research will contribute to our understanding of the status of current leadership relative to the leadership needed to meet the health care challenges of the future.

#### Leadership Needs

Hospital CEOs across the country are attempting to address the health care needs of their communities and the individual needs of their employees. They do this with an eye to the future, while attending to the



needs of the present. Research funded by an Eastman Kodak grant, "Bridging the Leadership Gap in Healthcare," was completed in 1992 as 400 hospital CEOs created a common health care vision for the future. The CEOs wanted a "new civilization in healthcare with greater emphasis on the continuum of care, disease prevention, and the healing of communities as well as patients" and "a resource-sensitive system transformed by science, technology and government policy, with basic healthcare access to all" (Eastman-Kodak, 1992, p. 4). The CEOs defined six competencies and values needed for leading the 21<sup>st</sup> century healthcare organization. Those included mastering change, systems thinking, shared vision, continuous quality improvement, redefining healthcare, and serving public and community (Eastman-Kodak, 1992).

Research findings suggest that while the healthcare CEOs are aware of the needs, they often struggle with acting on them. A 1998 collaborative study with Arthur Andersen LLP and DYG, Inc. addressed consumer and executive attitudes about health care. The study, "Leadership for a Healthy 21<sup>st</sup> Century," involved interviews with 250 CEOs inside and outside of healthcare. The healthcare leaders indicated that customer satisfaction and employee retention are essential to their success. They also agreed that they fail to invest adequately in either area. On the consumer side, they most significantly valued the *integrity* of the healthcare leaders, followed by a desire for the CEO to pay *genuine*

*attention* to consumers and health care employees (Mycek, 1998). It is not unusual for the topics of *integrity* and *values* to emerge whenever there is discussion of healthcare. "When we search our experiences to find examples of medical care at its best, we will discover the tales of values in action. We will see care, expertise, insight, communication, and extraordinary effort" (Pendleton & King, 2002).

Consumers, healthcare executives, and hospital boards of directors benefit from the availability of a pool of qualified, successful leaders to head their hospitals. Most healthcare leaders are veterans and, unlike other executives, are unable to move from one industry to another. This factor diminishes the available number of healthcare executives in the employment market. Current CEOs typically started in healthcare or moved into healthcare early in their careers. Despite their wealth of experience, they are doing little to train and develop the next generation of leaders (Tieman, 2002). A survey of 175 hospital CEOs by an Oakbrook, Illinois-based healthcare recruiter found that 75% of healthcare executives agree or strongly agree that they miss opportunities to mentor the next generation of healthcare leaders. Sixty-seven percent of the healthcare executives create short-term management roles, but not career paths for promising future leaders (Tieman, 2002).

Current and future healthcare leaders struggle to identify the type of leadership is required to succeed in this environment. Leadership training

programs at the university, for-profit, and not-for-profit levels continuously work to define leadership success for their students and attempt to align the perceived need with appropriate training. As with most skills, many researchers agree that leadership skills and/or styles can be learned (Arthur, Bennett, Edens, & Bell, 2003; Barling, Weber, & Kelloway, 1996; Bass & Avolio, 2003; Conger & Kanungo, 1987; Crookall, 1989; DeMoulin, 1997). Development of the necessary skills to lead healthcare organizations into the 21<sup>st</sup> century can contribute to the available pool of effective hospital executives.

A 2003 report about the status of hospitals and health systems illustrates the challenges specific to Iowa hospital CEOs. This report, "Profiles: Documenting the Social and Economic Importance of Iowa Hospitals and Health Systems" provided by the American and Iowa Hospital Associations, summarizes the environment in which Iowa hospitals and health systems operate. Information provided in the report included hospital and health system organization, integration activities, utilization, economics, finance, payment sources, personnel, population, demographics, and elderly services (Iowa Hospital Association, 2003).

Iowa hospitals and health systems contribute greatly to the economic well-being of Iowa. Of all employment in Iowa, 21.3% is in the health sector with an annual impact of \$9.5 billion. Rural healthcare providers (which include rural, critical access, and rural referral hospitals)

account for 94 of the 116 (81%) hospitals in Iowa. These rural hospitals are often the largest single employers in their respective communities and play an important role in providing a broad array of community health services (Iowa Hospital Association, 2003).

### Challenges Faced by CEOs

This study adds to our understanding and fills a gap in knowledge about leadership characteristics of hospital CEOs. This research could be helpful for CEOs as they consider the value of their current skill set and make decisions about future leadership training. In addition, this information might be valuable to hospital boards as they make decisions about promoting or replacing CEOs with individuals most likely to contribute to their organization's success.

The relationships among various components of transformational and transactional leadership constructs and leadership effectiveness in different settings are not well understood (Lowe, Kroeck, & Sivasubramanian, 1996). Leadership research specifically related to the healthcare industry is limited. This researcher was unable to locate studies that address the specific leadership styles of hospital CEOs and how those styles relate to the setting or size of the hospital. While leadership charisma is highly correlated with transformational leadership (Bass & Avolio, 1989; Conger & Kanungo, 1987; Fuller & Patterson, 1996; Gardner & Avolio, 1998; House & Shamir, 1993; Kirkpatrick & Locke,

1996; Yammarino, 1999), little information is available about the relationship between the individuals' values, age, and experiences and their leadership style.

There are many indications that leadership style can affect organizational success. Transformational leaders create greater alignment around strategic visions and missions; are associated with organizational sales increases, market share, earnings and return-on-investment (Barling et al., 1996); create greater unit cohesion, commitment and lower turnover (Bass & Avolio, 2003); and create safer work environments (Yammarino, 2002). Additional research is needed to contribute to the current knowledge base as it relates to health care administrators and rural and urban hospitals. The hospital CEOs, boards of directors, and health care communities will likely benefit from additional information about leadership success predictors.

#### Leadership and Economic Considerations

Hospitals throughout Iowa contribute economic support while struggling with \$309.5 million in uncompensated care and \$2 billion in payment shortfalls from Medicare and Medicaid, ranking Iowa as one of the lowest reimbursement states in the nation. Since 1993, Iowa hospitals have suffered an 85.7% increase in bad debt and charity care. In addition, the patient care demographics have shifted significantly from inpatient to

outpatient care, resulting in an increase of 85.4% of outpatient visits since 1993 (Iowa Hospital Association, 2003).

Hospital CEOs are also responsible for assuring that their hospitals are staffed with highly skilled personnel 24 hours a day, seven days a week. Particularly challenging for CEOs is the increased demand for nurses, compounded by a reduced supply of nurses, especially in rural areas. Additional rural healthcare challenges include struggles to fix aging buildings, keep current with technology, and following new regulations with unfunded mandates (Carpenter, 2001).

Healthcare reform is viewed by both rural and urban CEOs as a critical factor in their organizations' success. While rural hospital CEOs view the large and growing number of uninsured people as the most important reason the health system needs to change, their urban counterparts see things differently. Urban hospital CEOs suggest that excessive costs associated with prolonging the lives of dying patients for a few days or weeks represent the most important reason for health care reform (Smith, 1994). Despite these challenges, CEOs in Iowa hospitals continue to offer high quality services to their communities. In 2002, Iowa was ranked as the seventh healthiest state in the nation (Iowa Hospital Association, 2003). The ranking was based on 21 weighted factors for basic health care and access to health care. While this is a decline from fifth place in 2001, CEOs continue to collaborate within their communities

and throughout the state to address community health issues (Mycek, 1998).

### Leadership Selection

The numerous issues that face healthcare executives challenges us to consider just what type of leader chooses to guide an organization through this maze. Since the mid 1800s, researchers have attempted to determine the required traits, characteristics, or styles that leaders require to guide effectively highly complex organizations (MacGregor Burns, 2003).

Leadership theory in the last half of the 20<sup>th</sup> century largely focused on the interaction between (1) leader and follower and (2) leader in the context of organizational or societal needs (Avolio & Bass, 1999; Bass, 1999; Bennis & Nanus, 1985; Goleman, Boyatzis, & McKee, 2002; Heifetz, 1994; Howell & Avolio, 1993; Kirkpatrick & Locke, 1996; Kotter, 1996; MacGregor Burns, 2003; Tichy & Devanna, 1986; Yammarino, 2001; Yukl, 1989). One theory that has received particular attention is that of transformational leadership.

Transformational leadership style is believed by its proponents to be the most effective in leading today's organizations. This type of leadership aligns the organizational vision and goals with those of the individual employee or subordinate (Bass, 1990; MacGregor Burns, 2003). The vision and values of the organization are powerfully communicated by transformational leaders, and the individual's daily work is readily

connected to the “greater good.” Integration of a transformational leadership style often translates to improved financial outcomes, customer satisfaction, employee satisfaction, and organizational stability (Bass, 1990; Bass & Avolio, 2003; Crookall, 1989; Due Billing & Alvesson, 2000; Kirkpatrick & Locke, 1996). Thus, the transformational and transactional models of leadership were used as the frame of reference for this study.

This study investigates the leadership styles of Iowa hospital CEOs, categorized as laissez-faire, transactional, or transformational. These leadership styles will be analyzed relative to the CEO’s self-defined values, the hospital size and setting, the CEO’s age, gender, experience and leadership training. The findings may help better define any gaps that exist between Iowa’s current hospital leadership and that needed to meet the needs of Iowa’s health care organizations.

|                  |   |                                       |
|------------------|---|---------------------------------------|
| CEO              | → | Chief Executive Officer               |
| IHA              | . | Iowa Hospital Association             |
| MLQ              | . | Multifactor Leadership Questionnaire© |
| PVSII            | . | Personal Values Survey II ©           |
| RVS              | . | Rokeach Values Survey ©               |
| Subsets of RVS - |   |                                       |
| II               | . | Instrumental Individualist            |
| IC               | . | Instrumental Collectivist             |
| TI               | . | Terminal Individualist                |
| TC               | . | Terminal Collectivist                 |

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*Figure 1. Acronym Use Throughout This Report.*



## Chapter 2

### REVIEW OF THE LITERATURE

Leadership theory has evolved significantly in the past century. While there are as many definitions for the word “leader” as there are leaders, researchers and practitioners continue to focus their attention on the characteristics, styles, behaviors, and processes of these individuals and their leadership work. Researchers of leadership have yet to concur about the classifications or generalizations of leadership theory. Yet many agree that the progression of thinking over the years has contributed to the current beliefs that leadership is a loosely developmental process, with each piece of research building on and rarely completely discounting that which came before it (van Maurick, 2001). This evolution of leadership theory suggests that none of the previous four generations of leadership theory is mutually exclusive or time bound.

Over time, leadership theory progressed from focusing on the leader to focusing on the situation or context; and later from focusing on the leader-subordinate relationship to our current emphasis on the impact effective leaders have on organizational change and the alignment of organizational and follower goals. Theories having the greatest impact on current mainstream leadership work that have emerged over the last century include: (1) Great Man Theory; (2) Trait Theory; (3) Style and

Behavioral Theory; (4) Transactional Leadership Theory; (5) Transformational Theory; and (6) Process Leadership Theory.

### Great Man Theory

The search for the common traits of leadership goes back centuries. Most cultures need heroes to define their successes and to justify their failures. In 1847, Thomas Carlyle proclaimed on behalf of heroes that “universal history, the history of what man has accomplished in this world, is at the bottom of the history of the great *men* who have worked here” (Carlyle, 1847/1993). Carlyle purported in his “great man theory” that leaders are born and that only those men who are blessed with heroic qualities could ever emerge as leaders. Great men were born, not made. The theory makes no mention of “great women.” This is due to the reality that in those days virtually all acknowledged leaders were men, not women. The American philosopher, Sidney Hook, expanded on Carlyle’s thinking and proposed the impact which could be made by the *eventful man* vs. the *even-making man* (Hook, 1943). He suggested that the eventful man happened to be involved in a historic situation, but didn’t really determine its course. On the other hand, he believed that the actions of the event-making man influenced the course of events, which might have been vastly different had he not been involved. The event-making man’s actions were “the consequences of outstanding capacities

of intelligence, will and character rather than the actions of distinction” (MacGregor Burns, 2003, p. 11).

Some leaders however, were revealed to be morally flawed, as was the case with Hitler, Napoleon, and the like. For that reason, the Great Man Theory fell out of favor. These ‘great men’ became outmoded and stifled the growth of organizations. “The passing years have...given the *coup de grace* to another force that has retarded democratization - the ‘great man’ who with brilliance and farsightedness could preside with dictatorial powers as the head of a growing organization” (Slater & Bennis, 1990, p. 170). Leadership theory then progressed from beliefs that leaders are born or are destined to be in their role at that certain time to a consideration of certain traits that predict a potential for leadership.

### Trait Theory

The development of the trait theory of leadership evolved in the United States in the early 20<sup>th</sup> century. The early theorists suggested that natural-born leaders possessed certain physical traits and personality characteristics which differentiated them from non-leaders. Trait theories did not make assumptions about whether leadership traits were inherited or acquired (Kirkpatrick & Locke, 1991). Jenkins identified emergent traits (those which are heavily dependent upon heredity) as height, intelligence, attractiveness, and self-confidence. Effectiveness traits (dependent upon experience or learning), including charisma, were also identified as key

components of leadership. This early emphasis on charisma re-emerges in the late 20<sup>th</sup> century as a key component of successful leadership. Max Weber described charisma as “the greatest revolutionary force, capable of producing a completely new orientation through followers and complete personal devotion to leaders they perceived as endowed with almost magical supernatural, superhuman qualities and powers”(MacGregor Burns, 2003, p.26).

This early focus on personality, intellectual, and physical traits that distinguished leaders from nonleaders led to research that supported only minor differences between leaders and followers. The inability to identify which traits every single effective leader had in common resulted in trait theory, as an isolated component, falling into disfavor (Northouse, 2004).

By the late 1940s, researchers such as Jenkins (1947) and Stogdill (1948) reviewed the traits of military and nonmilitary leaders respectively and discovered the importance of certain traits emerging at certain times . They concluded that while traits were important, the *situation* determined which traits were more important than others. It was determined that the most important trait to possess was that most closely related to the task at hand (Stogdill, 1974). Stogdill concluded that, “a person does not become a leader solely by virtue of the possession of some combination of traits” (p. 892).

Research showed that no traits were universally associated with effective leaders and that situational factors were of significant influence (Stogdill, 1974). "Traits are a precondition for successful leadership. Once the leader has the requisite traits, they must take certain actions to be successful, such as formulating a vision, role modeling, and setting goals" (Kirkpatrick & Locke, 1991, p. 64).

In the late 1990s and early 2000s the concept of charisma re-emerged in the context of transformational leadership (Bass, 1999; Gardner & Avolio, 1998; Kirkpatrick & Locke, 1996; Yammarino, 1999). It has been suggested that the reason for this re-emergence of trait theory is because the traits cannot be considered as a sole precursor to leadership success, but should be considered as a precondition to leadership success. "Leaders who possess requisite traits must take certain actions to be successful. Possessing certain traits only makes it more likely that such actions will be taken and will be successful" (Kirkpatrick & Locke, 1991, p. 49).

Early studies focused on personality, intellectual, and physical traits and attempted to distinguish leaders from nonleaders. Stogdill's (1974) meta-analysis of such traits found only minor differences between leaders and followers. When no one could identify what consistent traits leaders had in common, trait theory fell into disfavor. Attention shifted to incorporating the impact of situations and of followers on leadership.

Researchers began to study the interactions that occurred between leaders and followers and the context of leadership instead of focusing on the traits of the leader.

### Style and Behavior Theory

Style theory emerged in the 1940s, suggesting that possession of a particular, definable style had the greatest potential for any leader. The breakthrough of the style theory acknowledged the importance of certain essential leadership skills that focused on what the leader actually *did* as compared to who the leader *was* (House & Aditya, 1997). It was suggested that each person has a leadership style with which he/she feels most comfortable. By integrating the previous theoretical work, House and Aditya concluded that different styles were needed for different situations. Leadership styles were initially introduced by Lewin, Lippert and White (1939). The three defined leadership styles were *autocratic* (telling others what to do), *democratic* (involving others in planning and implementation), and *laissez-faire* (giving little or no direction to others). Lewin et al. found that subordinates with democratic leaders tended to be most satisfied, motivated, and creative; were more likely to continue working when the leader wasn't present; and had better relationships with their leader. In terms of productivity, autocratic leaders were associated with greater quantity of output (at least while the leader was present). *Laissez faire* leadership was only considered appropriate when leading a

team of highly motivated and skilled people who had produced excellent work in the past (Lewin et al., 1939).

Two additional leadership styles or behaviors were identified by Blake and McCauley (1991) and were considered important variables when evaluating leadership effectiveness. These researchers concluded that consideration (relationship behaviors and concern for people) and initiating structure (task behaviors and concern for production) were essential variables. Consideration reflected the amount of warmth, concern, rapport, and support displayed by leaders for their coworkers and group members. Initiating structure, on the other hand, referred to the extent to which the leader defines, directs and structures his or her role and the roles of subordinates as they relate to the organization's performance, profit and mission. Although consideration is associated with greater subordinate satisfaction, the relationship between consideration and initiating structure and subsequent job attitudes and performance is more difficult to support (Yukl, 1989).

Blake and Mouton (1964) added to the style theory with their creation of the management grid. They theorized that different patterns of leadership behavior could be grouped together and labeled as styles. The identified styles include concern for task, concern for people, directive leadership, and participative leadership. This grid has been adapted over the years and is now referred to as the "leadership grid." Researchers at

Ohio State University and the University of Michigan contributed to the style theory when they analyzed how individuals acted when they were leading a group or an organization. As a result of that research, they proposed that leadership styles and behaviors could be learned and applied to situations as needed (Blake & Mouton, 1985).

### Situational and Contingency Theory

The style theory of leadership gave way to contingency and situational theories of leadership which suggested that leadership effectiveness depended on specific situations. Within the framework of this theory, the most adaptable leaders would develop a broad array of skills and demonstrate different behaviors for different contingencies. This theory represented a drastic paradigm shift in the study of leadership, defining leadership in terms of behaviors and determinants of leadership and suggesting that people could be trained to be good leaders. Training programs were developed to change leaders' behaviors under the assumption that leadership could be learned.

An early behavioral theory to emerge out of situational and contingency theory was Theory X and Theory Y (McGregor, 1960). McGregor believed that business leaders could be classified into one of two groups based on their assumptions about their followers. He stated that leaders have "Theory X" assumptions when they believe that followers are lazy, don't want to work, seek direction, and are motivated by



extrinsic rewards. Theory X leaders tend to develop elaborate control methods to direct their followers' behaviors. Leaders who believe their followers want to work hard, are cooperative, seek responsibility, and are intrinsically motivated are said to have "Theory Y" assumptions. Theory Y leaders create business organizations where their followers are given information, responsibility, and opportunities for development. Each of these respective viewpoints directly impacts leader behaviors.

Daniel Goleman advanced the work of Lewin, Lippert, and White by proposing six distinct leadership styles based on his theory of emotional intelligence (Goleman, 2002). These styles included the following: coercive "do what I tell you;" authoritative "this is where we have to go;" affiliative "we need harmony and bonding;" democratic "let's see what everyone has to say and what most seem to want;" pacesetter "do what I do, and you'd better follow along;" and coaching "here's an idea," "here's how to get this done," and "here's how to do this better." Goleman indicated that leaders who have four or more of these styles at their disposal and who use them appropriately seem to foster the best organizational climate and effective business performance. He wrote, "Of course, style is no protection against foolish, ill-conceived, and inappropriate actions" (Goleman et al., 2002).

Fiedler dominated much of the leadership research in the 1970s and developed the contingency theory of leadership (Fiedler, 1967). He

suggested that there are two types of leaders: those who focus on relationships and those who focus on tasks. It is the situation that determines which type of leadership approach will be most effective. This theory specified situational variables that interact with the leader's personality, thereby creating a *leader-match* concept that defines effective leadership as matching a leader's style to the situation or context. His research appeared to recognize that leadership was neither good nor bad, but rather defined by its effectiveness in certain situations (Fiedler & House, 1994). In addition, he believed that leaders could improve their effectiveness with training and experience.

Fiedler's theory was further advanced by House et al. They suggested that performance, satisfaction, and motivation of a group could be impacted by the leaders in a number of ways (Evans, 1996; House & Aditya, 1997; House & Mitchell, 1974). The successful leader could emphasize and attend to the needs and goals of the follower by (1) clarifying the goals and the path that will lead to achievement and (2) providing rewards to subordinates through support and attention to their needs. This theory, known as *path-goal theory*, focused on the situation and the leader's behavior and actions and not on personality traits or styles as suggested by Fiedler (House & Mitchell, 1974). Path-goal theory offers four specific leadership behaviors required to address subordinates' needs. Those include (1) *directive*: leadership necessary to

establish ground rules; (2) *supportive*: leadership sensitive to subordinates' needs; (3) *participative*: decision-making leadership based on group consultation; and (4) *achievement-oriented*: leadership to establish and attain high group goals.

While the contingency theorists believed that the leader was the focus of leader-subordinate relationship, situational theorists believed that the subordinate played a more important role in defining the relationship. Situational leadership theory suggests that leadership style should be matched with the maturity of the subordinates. Paul Hersey and Kenneth Blanchard's *Situational Leadership Model* was first introduced in 1969. They theorized that there was no *best* way to lead and that leaders, to be effective, must be able to adapt to the situation and modify their leadership style between task-oriented and relationship-oriented (Hersey & Blanchard, 1977). They suggested that the maturity of the group or individual would determine the most effective leadership style.

They developed the four leadership styles of telling, selling, participating, and delegating and advocated the importance of matching those styles with the subordinate's "maturity level" and the current task. The dynamic among these factors was based on the amount of guidance and direction (task behavior) and socio-emotional support (relationship behavior) required by the followers, and the readiness level (competence

and commitment) of the followers in performing a task, objective, or function (Hersey & Blanchard, 1993).

The subordinate readiness level was determined by a combination of ability, confidence, and willingness to accept responsibility (Blanchard, Carlos, & Randolph, 1996; Blanchard & Johnson, 1980; Hersey, Blanchard, & Johnson, 2001). In addition, the leader was asked to consider the subordinates' psychological maturity and job maturity when deciding the leadership approach.

Situational leadership theory compelled the leader to address situations diagnostically to determine what the subordinates' needs were and what the leader needed to bring to the situation. Although situational leadership continues to focus mainly on the leader, it begins to bring the importance of the group dynamic into focus. Studies of the relationships between leaders and their groups have led to some of our modern theories of leadership and group dynamics (Bass, 1997).

Other researchers believed that situational leadership ignored many organizational issues. Similar to Blake and Mouton, Hersey and Blanchard were said to "focus mainly on the relationship between managers and the immediate subordinates and say little about issues of structure, politics, or symbols" (Bolman & Deal, 1997, p. 302).

### Transactional Leadership Theory

By the late 1970s and early 1980s, leadership theories began to move away from the specific viewpoints of the leader, follower, and the leadership context and toward processes that centered more on the *interactions* between the leaders and followers. Transactional leadership was described as that in which leader-follower relationships were based on a series of *exchanges* or *bargains* between leaders and followers (Burns, 1978).

Transactional theory was “based on reciprocity where leaders not only *influence* followers but are under their influence as well” (Heifetz, 1994, p. 17). Other research suggested that transactional leadership varies with respect to the *leader’s activity* level and the nature of the *interaction* with the followers (Bass, 1990). Hater and Bass (1988) viewed transactional leadership as a type of contingent-reward leadership that had active and positive exchange between leaders and followers whereby followers were rewarded or recognized for accomplishing agreed upon objectives. These rewards might involve recognition from the leader for work accomplished, bonuses, or merit increases. Positive reinforcement could be exchanged for good work, merit pay for increased performance, or promotions and collegiality for cooperation (Sergiovanni, 1990).

Leaders could instead focus on mistakes, delay decisions, or avoid responses. This approach is referred to as “management-by-exception”

and could be characterized as active or passive transactions (Howell & Avolio, 1993). The difference between these two types of transactions is predicated on the timing of the leaders' intervention. In the active form, the leader continuously monitors performance and attempts to intervene proactively. Typically the more active management-by-exception leader defines the expectations or standards in advance and monitors them accordingly. The passive form of management-by-exception occurs when the leader intervenes with criticism and correction only after errors have been made or standards have not been met. Issues are dealt with reactively, with standards confirmed after problems have been exposed.

The transactional leader "functioned as a broker and, especially when the stakes were low, his role could be relatively minor, even automatic" (MacGregor Burns, 2003, p. 24) Rewards help clarify expectations, and the relationship assumes that the leader knows the values of the follower, can identify the actions of the follower, and recognizes the follower as a willing participant in the exchange (Avolio & Bass, 1995).

MacGregor Burns (2003) identifies the transactional leader as one who engages in both simple and complex exchanges with followers to create a performance that contributes to fulfilling organizational goals. The next iteration of leadership theory, transformational leadership, is believed by MacGregor Burns to take us beyond mere exchanges to

realization of self interests and the greater good of the organization and society.

### Transformational Leadership Theory

Transformational leadership differentiates itself from previous theories in its focus on alignment to a greater good. It seeks to engage the follower in activities out of a sense of commitment to self, organization, and a process that will lead to some greater social outcome.

Transformational leaders elevate the morality and motivation of both the leader and the follower (MacGregor Burns, 2003).

While transactional leadership is said to be a reciprocal exchange, it is believed that transformational leaders “engage in interactions with followers based on common values, beliefs and goals” (MacGregor Burns, 2003 p. 25). This encourages extraordinary performance which results in goal attainment. Transformational leaders experience relationships with others as mutually elevating and beneficial. Bass suggested that the transformational leader “attempts to induce followers to reorder their needs by transcending self interests and strive for higher order needs” (MacGregor Burns, 2003, p.134). These appear to be the same higher order needs that Maslow (1954) addressed when he posited that people are motivated by *higher order needs* after *lower order needs* are satisfied.

Transformational leadership is a process that changes and transforms individuals, organizations, and cultures. The transformational

approach focuses on attitudes, values, and beliefs that inform leaders' practices and the ability to lead change. Burns' (1978) theory of transformational leadership was further developed by Bass (1999) and centered on "elevating leaders and followers to a higher level of motivation and morality...their purposes which may have started separate become fused" (p.12). In his work, Burns suggests that leaders and followers put aside personal interests for the good of the group. The leader is then asked to focus on followers' needs and input in order to transform everyone into a leader by empowering and motivating them (Burns, 1978).

The focus on the moral dimensions of leadership further differentiates transformational leadership from the previously defined leadership theories. This emphasis on ethics and morality is rooted in the works of Maslow (1954) and Rokeach (1973).

Transformational leaders are characterized by their ability to recognize the need for change, create a vision that guides change, gain the agreement and commitment of others, and accomplish and embed the change (Bass, 1999; Burns, 1978; Heifetz, 1994; Kotter, 1996; MacGregor Burns, 2003; Tichy & Devanna, 1986). Such leaders treat subordinates individually and seek to develop their skills, morals, and consciousness by providing challenge and meaning to their work. These leaders create an image -- a persuasive and hopeful vision of the future. They are "visionary leaders who seek to appeal to their followers' better nature and move



them toward higher and more universal needs and purposes” (Bolman & Deal, 1997, p. ). Proponents of transformational leadership believe that the patterns of the past should not be the guide for the future. They believe that successful transformational leaders create clear and compelling visions for the future (Bass, 1985; Bennis, 2003; Heifetz, 1994; Kotter, 1996; MacGregor Burns, 2003; Senge, 1990; Tichy & Devanna, 1986; Yammarino, 1999), demonstrate charisma (Bass, 1990; Bennis, 2003; Conger & Kunungo, 1987; House & Aditya, 1997; Tichy & Devanna, 1986), align organizational goals with personal goals (MacGregor Burns, 2003), and engage others in reaching the vision (Bass, 1999; Bennis, 2003; Heifetz, 1994; Howell & Avolio, 1993; Kotter, 1996; MacGregor Burns, 2003; Tichy & Devanna, 1986; Yammarino, 1999). They also tend to engage in leadership with a high sense of ethics and attention to values (Bass, 1999; Bolman & Deal, 1999; Heifetz, 1994; Kotter, 1996; MacGregor Burns, 2003).

Bass (1985) depicted transformational leadership as a series of higher order constructs that are comprised of three distinct factors: *charisma, intellectual stimulation, and individual consideration.*

Transformational leaders concentrate their efforts on long-term goals, vision, changing and aligning systems, and coaching and developing others. Bass purports that such leaders display transactional behaviors as well. In contrast with Burns’ (1978) assessment, Bass does not consider

transactional and transformational leadership to be at opposite ends of the continuum. Howell states that “many transformational leaders certainly engage in transactional behaviors, but they often supplement those behaviors with some elements of transformational leadership and engage in managerial activities” (Howell & Avolio, 1993, p. 892)

A significant component of transformational leadership relates to charisma. Charisma is believed by many to be the most important component of the larger concept of transformational leadership (Bass, 1985; Conger & Kanungo, 1987; House & Shamir, 1993). House contributed to Bass’ findings by suggesting that charismatic leaders are characterized by self-confidence, a firm conviction in their values and beliefs, high expectations for and confidence in others, and exhibit social sensitivity and empathy (House & Shamir, 1993). House’s 1997 Theory of Charisma also addressed the *dark side* of charismatic leadership, when leaders seek to keep followers weak and dependent in order to maintain their loyalty (House & Aditya, 1997).

Bennis and Nanus (1985) have contributed greatly to the transformational leadership conversation. They asked 90 leaders questions which identified four common strategies used by leaders in transformational organizations. These strategies included:

1. *Communicate a clear vision of the future* – attractive, realistic and believable vision, emerging from the needs of the entire organization and claimed by those within it.
2. *Serve as a social architect* – create a shape or form for the shared meanings maintained by individuals in organizations; transform values and norms.
3. *Create trust* – clearly state positions and stand by them. Trust is related to being predictable and reliable even in times of uncertainty
4. *Create development of self through positive self-regard* – leaders know their own strengths and weaknesses, and emphasize their strengths and immerse themselves in the overarching organizational goals. The positive self-regard has a reciprocal impact on the followers, fostering a sense of confidence and high expectations with a continuing focus on learning and re-learning.

Additional research about the behaviors of transformational leaders has been performed by Tichy and Devanna (1986). They studied twelve CEOs in mostly large organizations to see how organizations change or are transformed and how leaders conducted out the change process. The data from their interviews suggested that leaders manage organizational change (transformation) through a three-act process:

*Act 1* – Leaders recognize the need for change and move beyond the status quo while addressing any resistance to change. They do so by allowing for dissent and disagreement while simultaneously encouraging objective assessments of the current organizational status. These leaders encourage alternative viewpoints and assess performance using economic and non-economic industry indicators.

*Act 2* – Leaders create a vision, a conceptual roadmap for where the organization is headed and what it will look like when change is achieved. The leader brings together differing viewpoints to create a greater vision.

*Act 3* – Leaders institutionalize change by breaking down old structures and establishing new ones. They realize that it may be necessary to have people working in new or different roles in order to embed the change.

### Process Leadership Theory

Additional leadership theories with a process focus include servant leadership (Autry, 1991; DuPree, 1989; Greenleaf, 1996), learning organizations (Senge, 1990), principal centered leadership (Covey, 1991) and charismatic leadership (Yammarino, 1999), with others emerging every year.

Greenleaf introduced servant leadership in the early 1970s. A resurgence of the discussion of servant leadership was noted in the early

1990s. Servant leaders were encouraged to be attentive to the concerns of the followers and the leader should empathize with them-take care of and nurture them (Greenleaf, 1996). Leadership was bestowed on a person who was by nature a servant. In fact, he stated, that an individual emerges as a leader by first becoming a servant. The servant leader focuses on the needs of the follower and helps them to become more knowledgeable, freer, and more autonomous. The servant leader is also more concerned with the “have-nots” and recognizes them as equal. Stakeholders in the servant-led organizations shift authority to those being led.

Learning organizations are at the core of the work of Peter Senge (1990). The leaders in learning organizations are to be the steward (servant) of the vision of the organization and not a servant of the people within the organization. Leaders in learning organizations clarify and nurture the vision and consider it to be greater than one’s self. The leader aligns themselves or their vision with others in the organization or community at large. These process leadership theories and others that have emerged often suggest that the work of leaders is to contribute to the well-being of others with a focus on some form of social responsibility.

There appears to be a clear evolution in the study of leadership. Leadership theory has moved from birth traits and rights, to acquired traits and styles, to situational and relationship types of leadership, to the

function of groups and group processes and, currently, to the interaction of the group members with an emphasis on personal and organizational moral improvements.

Offering a definition of leadership appears to challenge even the most scholarly thinkers. Perhaps DuPree (1989) said it best when he said, "Leadership is an art, something to be learned over time, not simply by reading books. Leadership is more tribal than scientific, more weaving of relationships than an amassing of information, and, in that sense, I don't know how to pin it down in every detail" (p. 3).

### Leadership Factors

A number of factors have been indicated as contributors to our understanding about leadership styles. Those factors include, but are not limited to leadership skill building, organizational effectiveness, values, gender and setting.

### *Leadership and Skill Building*

Original trait theory suggested that leadership was an ability which was innate, and individuals either had it or did not. Leadership theory has evolved to its current level where it is believed that leadership is a skill which can be developed. In the early 1990s a number of studies were published that contended that a leader's effectiveness depends on the leader's ability to solve complex organizational problems (Mumford, Zaccaro, Harding, Owen Jacobs, & Fleishman, 2000; Yammarino, 2000).

This research has resulted in a comprehensive skills-based model of leadership. According to this theory, effective leadership depends on technical, human and conceptual skills – all which can be taught (Katz, 1995). These skills imply *what* the leader can accomplish, whereas traits imply who the leaders *are*. These leadership skills can be acquired and leaders can be trained to use them.

Barling, Weber, and Kelloway (1996) performed an experimental research design with pre- and post-test measures to assess the effects of transformational leadership training with 20 leaders, inclusive of a control group. Leadership training consisted of a one day group session with four monthly individualized refresher sessions thereafter. Results showed that the training resulted in (1) significant effect on subordinates' perceptions of leaders' transformational leadership, (2) subordinates' own commitment, and (3) two aspects of financial performance. These findings provided further support of the effectiveness of training managers in transformational leadership.

The researchers extended findings that training can change leaders' transformational leadership behaviors and those of their followers in expected ways (Howell & Frost, 1989; Kirkpatrick & Locke, 1996). An experimental research design by Howell and Frost (1989) revealed that students working under leaders trained in charismatic style demonstrated higher task performance than those working under the control group.

Additional laboratory simulations were conducted and revealed that goal-setting and intervention can result in changing leaders' transformational behaviors (Kirkpatrick & Locke, 1996).

Leadership styles of shop supervisors were measured using the Multifactor Leadership Questionnaire (MLQ) (Bass & Avolio, 1993). Scores were reported by trainees who were inmates of minimum, medium, and maximum-security prisons. These inmates produced products for internal and external sale. The experiment compared four groups of supervisors in their pre- and post-training effectiveness in various industrial and vocational prison shops. One group was trained in transformational leadership, one group was trained in transactional leadership, and one group was untrained. Groups were measured before and after and training, with the untrained group only measured once, at the end of the experiment. The performances of both trained groups improved, but in comparison to the three other groups of supervisors, those who trained in transformational leadership did as well, or better at improving productivity, absenteeism, and "citizenship" behavior among the inmates. They also won more respect from the inmates (Crookall, 1989).

Additionally, a longitudinal randomized field experiment was conducted which tested the impact of transformational leadership enhanced training on follower development and performance. The experimental group of leaders received transformational leadership



training, and the control group of leaders received eclectic leadership training. The sample included 54 military leaders, 90 direct reports, and 724 indirect reports. The results indicated that the experimental group of leaders had more positive impact on the development of direct reports and on performance of indirect reports than did the control group leaders (Dvir, Eden, Avolio, & Shamir, 2002). These findings suggest, then, that leadership skill development, when provided in the appropriate context, can result in significant changes to the leader, the direct reports and the business outcomes.

### *Leadership and Organizational Effectiveness*

Transitioning into the 21<sup>st</sup> century, understanding of leadership provides an opportunity to evaluate leadership effectiveness in various settings and with different leadership styles. As revealed in Bass' (1999) meta-analysis, more than 200 studies on the effectiveness of transformational, transactional, and passive/avoidant (*laissez faire*) leaders have contributed to our knowledge of these styles. Research also exists about the relationship of leadership and gender as identified in Eagly et al.'s meta-analysis (Eagly, Makhijani, & Klonsky, 1992). Far less research addresses the relationships of leadership and age, leadership training and experience, and leadership in organizations of varied sizes or settings.

Research supports the effectiveness of transformational leadership as it relates to aligning the work of others, impacting organizational goals and connecting to a greater good. The current study focused on the presence of transformational leadership qualities in Iowa hospital CEOs.

Much of the research comparing transactional, transformational and laissez faire leadership styles has used the MLQ. It is perhaps the most widely cited and utilized leadership assessment tool currently available (Tejeda, Scandura, & Pillai, 2001). The MLQ is a multi-rater survey tool that asks the rater to identify the frequency with which a particular leader exhibits particular behaviors or traits. The tool is used to measure how often a leader's direct reports, colleagues, and superiors perceive the leader to exhibit a full range of specific leadership behaviors ranging from transformational to transactional to passive/avoidant. The MLQ was originally developed in 1985 by Bass and Avolio and since its inception has undergone a number of revisions to more accurately reflect leadership styles (1993).

Research since the mid 1980s further supports the significant impact transformational leadership can have on behaviors and performance of subordinates as well as objective organizational outcomes. Recent findings suggest that a composite of transformational and transactional leadership styles may result in the most effective leadership outcomes (Bass & Avolio, 2003). This research examined how

transactional and transformational leadership of 72 light infantry rifle platoon members predicted their units' potency, cohesion, and performance during simulated training exercises. Their findings suggest that both forms of transactional and transformational leadership enhanced potency, cohesion, and success, and it appeared that both forms of leadership were necessary for good performance. They determined that transactional leadership establishes clear standards and expectations of performance which builds trust in the leader, and that transformational leadership builds on these levels of trust by establishing a deeper sense of identification among the followers related to the units' values, mission, and vision.

Additional research performed by Bass indicated that managers tagged as high performers by supervisors are also rated by their followers as more transformational than transactional. Their organizations also tend to do better financially (Bass, 1990). Research among Methodist ministers revealed that transformational, not transactional, leadership behavior was positively related to high church attendance among congregants and growth in church membership (Bass, 1990).

Increasing transformational leadership in the organization may help with recruitment. Candidates are likely to be attracted to an organization whose CEO is charismatic, demonstrating a confident, successful, optimistic, and dynamic public image. Additionally, transformational

leadership has been positively related to employee satisfaction and performance (Lowe et al., 1996).

Transformational leadership creates a higher correlation between performance and motivation of subordinates than does transactional leadership. However, significant relationships also exist between *transactional* components of the MLQ and leadership effectiveness (Hater & Bass, 1988; House, Spangler, & Woycke, 1991; Howell & Avolio, 1993; Lowe et al., 1996; Waldman, Bass, & Yammarino, 1990; Yammarino & Bass, 1990). Researchers assert that the best leaders are both transactional and transformational in their leadership styles and work within the constraints of the organization to change the organization, its leaders, and its members.

Finally, passive-avoidant/laissez faire leaders are those who consistently fail to intervene until problems become serious. Their subordinates claim that these leaders wait to take action until mistakes are brought to their attention. Typically these *nonleaders* avoid accepting responsibility, are absent when needed, fail to follow up on requests for assistance, and resist expressing their views on important issues (Bass, 1990). Laissez faire leadership is strongly associated with subordinate dissatisfaction, conflict, and leadership ineffectiveness. None of the available research suggests that a strong passive-avoidant/laissez faire

leadership style correlates with subordinate satisfaction or organizational success (Avolio & Bass, 1999; Bass, 1999; Lowe et al., 1996)

### *Leadership and Values*

In the face of healthcare changes and increased demands, the role of values-based leadership emerges as a critical factor. Pendleton and King (2002) reviewed a number of studies related to leadership and values and determined that

Values are deeply held views that act as guiding principles for individuals and organizations. When they are declared and followed they are the basis of trust. When they are left unstated they are inferred from observable behavior. When they are stated and not followed the trust is broken (p. 1352).

According to Maslow (1954), as individuals move from one level of their hierarchy to the next, their attitudes, perceptions, and values change in accordance with their new needs. Thus, values are inherently positive constructs and are considered to function as a base from which attitudes and behaviors flow (McCarty & Shrum, 2000). Rokeach defines a value as “an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence” (Rokeach, 1973, p. 5).

Several studies over the past decade have indicated the power of organizations' and individuals' values in performance improving. Collins

and Porras (1994) analyzed why some companies might outperform their competitors over the years. Several items emerged, including that the companies successful in the long term were strongly oriented to values. These values had to be discovered, not manufactured 'boilerplate' values, and were woven into the fabric of the organizations' systems, processes, practices, and rewards.

Eight companies with superior performance in their respective industries were compared to eight similar companies. The findings suggested that the more successful companies had an approach to leadership that was based on values. The leaders' values acted as a guiding principle and helped them make crucial and difficult decisions. The authors discovered that with these individuals, values always came first in decision-making (O'Reilly & Pfeffer, 2000) .

A twelve-nation study involving 567 managers revealed that the three instrumental values, "broadminded, capable and courageous" were ranked as the most important value dimensions. The managers deem these underlying values as critical, because the business philosophy depends in a large degree upon the values by those in management (Bigoness & Blakely, 1996).

Thus, values shape attitudes and beliefs and create differences in leadership styles and organizational success. These values are learned through a socialization process and are influenced by personality

development, personal experience, social context, and culture (Rokeach, 1973). Rokeach also suggests that members of society share the same pool of values and only differ in their rank ordering of these individual values.

Values can be defined in a number of ways. The most widely known values scale offered by Rokeach defines values as terminal and instrumental. He posits that terminal values relate to the goals that a person would like to achieve in their lifetime or “desirable end-states of existence.” On the other hand, instrumental values are the preferred modes of behavior or means of achieving one’s terminal goals (Rokeach, 1973).

A person’s view of the culture in which they exist appears to be defined by their values (Hofstede, 1993; Rokeach, 1973). Collectivism and individualism have emerged as two key cultural constructs. Individuals who subscribe to a collectivist cultural view have values that align with a framework which supports interdependency of group members, cooperation over personal goals, intra-group behavioral control, and importance of in-group harmony. Those who subscribe to an individualist cultural view have values that focus on the need for achievement, self-sufficiency, and acting as individuals rather than groups (Hui & Triandis, 1985; Johnston, 1995).

### *Leadership and Gender*

A significant amount of research has been generated in the past twenty years related to leadership and gender. This research has followed the growing trend of women's involvement in organizational leadership positions. While some studies have suggested differences in leadership styles between men and women (Helgesen, 1995; Henning & Jardin, 1977; Rosener, 1990), others report the absence of such differences (Bass, 1990; Dobbins & Platz, 1986).

Eagly and Johnson's (1990) landmark meta-analysis revealed mixed findings of leadership styles related to gender. First, they found that leaders' reports of their leadership behavior were related to gender while their supervisors' reports were related to the organizational level of the leader. Additionally, they found that women used more participative and inclusive leadership consistent with transformational leadership styles than did men. Men, on the other hand, were more likely to use a directive, controlling leadership style while engaging in more contingent reward behaviors consistent with transactional leadership style. Men were also more likely to possess laissez fair leadership style than were women.

These findings have been supported in other research. Male leaders were more likely to prefer using rewards and punishments as a means of influencing performance. Female leaders preferred to adopt "interactive leadership" styles in which power and information were



shared. Women believe people perform best when they feel good about themselves and their work; hence women attempt to create an environment which enhances self worth (Rosener, 1990). Additionally, Rosener found that men and women describe themselves as gender neutral in their leadership traits as opposed to having masculine or feminine leadership traits.

The leadership styles of 150 male and 79 female managers at the top management level in six Fortune 500 companies were assessed using the MLQ. The authors concluded:

Women managers, on average, were judged more effective and satisfying to work for as well as more likely to generate extra effort from their people....The profile that emerges here is of a female manager who is seen as a more pro-active role model by followers who is trusted and respected, and who shows greater concern for the individual needs of her followers (Bass & Avolio, 1994, p. 554).

A survey of 120 female and 184 male leaders as well as 52 supervisors and 588 subordinates revealed that supervisors evaluated female managers as more transformational than male managers, and females rated themselves as more transformational than males. The findings also suggested that subordinates rated males and females equally. Results indicated that males and females who perform the same organizational duties and occupy equivalent positions within the

organizational hierarchy do not differ in their leadership style according to their subordinates (Carless, 1998).

Consensus has not been reached regarding the relationship or lack thereof between gender and leadership style. Lewis and Fagenson-Eland (1998) suggested that it is important to contrast leaders' self-perceptions with those of their supervisors and subordinates. Their self perceptions affect their performance and motivation to advance and may result in greater reluctance to apply for higher level positions if they believe they lack the required competencies. It is noted that women consistently rate themselves lower in terms of their transformational leadership characteristics than do men (Bass & Avolio, 1994).

In summary, research on sex differences related to leadership continues to evolve and appears to be contextually related to settings, subordinate, superior and self-assessment results, and method of measuring leadership behaviors and styles.

#### *Leadership and Age, Experience, Organization Size, and Setting*

Little research is available for comparison or predictors of leadership style based on age or experience of leaders or of organizations' size or setting. A study of a multi-hospital system with 52 rural and 71 urban hospitals revealed that rural leaders typically fell within two age groups, 40-60 and 60+ years. The urban leaders typically fell into the under- 40 and 40-60 age groups (Smith, 1994).

A study of 40 primary health centers in Spain focused on the transformational leadership styles of the centers' coordinators. Each coordinator led a team of family doctors, pediatricians, nurses, and clerks. The leadership of the coordinators was more likely to be legitimate in the team members' eyes when the coordinator ranked higher in transformational factors. Team members found it more acceptable for the coordinators to organize, manage, control, and evaluate their performance (transactional factors). Role conflict was noted to be lower in these settings with a greater sense of autonomy and improved interpersonal relationships when the health care coordinators were seen as transformational (Morales & Molero, 1995). Additional research regarding the impact of these factors on leadership potential will help to increase the knowledge base and increase the possibility of more efficient leadership development.

Information related to the experience of the leader was examined by Bass (1990). His study revealed that when employees rank their managers on the MLQ, they describe new business leaders as more transformational than established business leaders. He suggests that MLQ scores could be used to identify executives to head new ventures. Additionally, Bass found that managers tend to model their own leadership style after those of their immediate supervisor. Therefore, if more higher-

ups are transformational, then lower level employees are more likely to emulate that behavior as they rise in an organization.

Transformational leadership also appears to occur more frequently in cultures or societies that are considered collectivist as opposed to individualist societies (Jung & Avolio, 1999). Collectivism, as represented by some Eastern societies, describes a tight social framework in which people expect others in their respective groups to look after them and protect them. A mutual obligation of individuals exists whereby the leaders have a moral responsibility to take care of the followers. In turn, the followers have a moral obligation to reciprocate with loyalty and obedience. Individualistic societies, often associated with the West, suggest that people are more motivated to satisfy their own self interests and personal goals. Individuals take care of themselves and have higher regard for individual achievements and rewards (Hofstede, 1993). It is believed that certain leadership styles flourish in cultural settings which complement one another.

## Chapter 3

### METHOD

#### Purpose of the Study and Research Questions

The purpose of this study was to determine the perceived leadership styles of hospital CEOs relative to transformational, transactional, and passive/avoidant leadership by having them complete a 360-degree, multi-rater, leadership assessment tool (MLQ).

The following hypotheses guided this research:

1. *Hospital CEOs who exhibit transformational leadership styles describe their personal values as collectivist.*

CEO mean scores were determined by the 290 raters completing the MLQ relative to each of the leadership styles (transformational, transactional, and passive-avoidant) on a scale of 0-4. The mean scores of each RVS value item were calculated for each of the quadrant variables listed in Table 1. A Pearson correlation coefficient was calculated to determine the direction, strength and value of the relationship between the three leadership style means and the two individualist (instrumental and terminal) value mean scores.

2. *Hospital CEOs who exhibit transactional leadership styles describe their personal values as individualist.*

CEO mean scores were determined as noted in number one. The mean scores of each RVS value item were calculated for each of the quadrant variables listed in Table 1. A Pearson correlation coefficient was calculated to determine the direction, strength and value of the relationship between the three leadership style means and the two collectivist (instrumental and terminal) value mean scores.

3. *Transformational leadership style positively relates to gender with females being more transformational than males.*

The same MLQ rater scores (N=290) were used to define the transformational, transactional and passive-avoidant means for the CEOs collectively. An independent-sample T test and ANOVAs were performed to determine the difference between the genders relative to the three leadership styles and the nine profile and three outcome areas.

4. *Transformational leadership style positively relates to recent hours of leadership training.*

MLQ rater scores, as defined above, were correlated with leadership training using the Pearson correlation coefficient to determine direction and degree of significance. Additionally, the CEO's self-rated MLQ scores were compared to hours of leadership training using the Pearson correlation coefficient to

determine the CEO's perception of leadership relative to their self-defined hours of leadership training.

5. *Leadership style will not significantly correlate with CEO age.*

MLQ rater scores, as identified above, were correlated with CEO age using the Pearson correlation coefficient to determine direction and strength of the relationship between the factors of age and the three leadership styles.

6. *Leadership style will not significantly correlate with CEO total years of experience.*

MLQ rater scores, as identified above, were correlated with CEOs' years of experience using the Pearson correlation coefficient to determine direction and strength of the relationship between the factors of experience and the three leadership styles.

7. *Leadership style will not significantly correlate with the hospital size and setting in which the CEO works.*

MLQ rater scores, as identified above, were correlated with the size of the hospital in which the CEO worked based on the annual net revenue for each CEO's hospital, identified by the Iowa Hospital Association's annual report. The evaluation used the Pearson correlation coefficient to determine direction and strength of the relationship between the factors of hospital size and the three leadership styles. Additionally, the rater scores were used in an

independent-sample T test to determine the differences between the hospital setting (rural, urban, rural referral and critical access) and the three leadership styles.

Note: This data may be viewed as “hierarchical” in the sense that the multiple evaluators rated the hospital CEO on leadership characteristics and these evaluators are different for each hospital. This clustering may result in a lack of independence (or varying degrees of dependence) in the individual observations by the various evaluators. Assessments by evaluators of the same CEO will likely be clustered fairly closely to some central value, while assessments over different CEOs will be more dispersed. Analysis of the data based on individual evaluators can yield biased results. Analysis of the data based on a summary measure such as the mean of the evaluators’ assessment on each CEO may be preferable from a statistical viewpoint. However, this results in considerable contraction of the data and less powerful tests of the hypotheses. Therefore, the emphasis in this research was on the results of using the CEO as the unit of analysis instead of using the individual evaluators as the unit of analysis.

Additionally, the CEOs were asked to complete a hardiness survey that was not used in this research, but will be integrated into research at a later date. The HardiSurvey (PVSIII-R) was developed by the Hardiness Institute, Inc. for Performance Enhancement and Leadership Training.



The hardiness survey assesses how much hardiness resources an individual possesses, and how effective the resources are in helping resist the negative effects of stressful change. This information was thought to add value related to how the individuals with various leadership styles deal with the stress of leading organizational change.

### Subjects

The main subjects of this research include 116 Iowa hospital CEOs who represent the 116 Iowa hospitals they serve. This group of participants was chosen because it is a limited and accessible set of individuals who represent a particular leadership sector influenced by many of the same economic factors. Additionally, Iowa hospitals' CEOs generally share the same healthcare reimbursement, legal standards, demographics, and recruiting challenges. Each CEO was asked to engage six to eight participants in the 360° assessment. The participation of two peers, two subordinates, and two superiors was requested of each CEO.

Each hospital CEO was contacted via mail, phone, and personal contact to request their participation in completing the 360° (multi-rater) leadership assessment tool, values inventory, hardiness survey and personal biographical inventory (questions related to age, CEO gender, years of CEO experience, and number of hours of leadership training in the past three years).

For research purposes the CEOs were be classified according to hospital setting (rural or urban, rural referral, critical access) and hospital size (according to annual hospital gross revenue). These factors were determined using the most recent data made available to the public from the Iowa Hospital Association (Iowa Hospital Association, 2003).

### Measures

Two copyrighted measurements were used in this study. One was used to assess leadership style and the other was used to determine self-defined values of the CEO.

#### *Multifactor Leadership Questionnaire*

The Multifactor Leadership Questionnaire© (MLQ)(Bass & Avolio, 1993), a multi-rater assessment tool, measures the range of specific leadership behaviors exhibited by an individual. The MLQ has been used in leadership research since it was developed in 1985 (Bass). Bass and Avolio(1989) attempted to define a “full range” of leadership from highly transformational at one end to highly avoidant at the other end. Following their review of empirical studies on the MLQ, Bass and Avolio (1993) concluded that:

The original structure presented by Bass (1985) does still represent conceptually and in many instances empirically, the factors of transformational, transactional and laissez-faire leadership. But we

already see that the structure is more complex than originally proposed. Further refinements are in the offing. (p. 61)

The most current version of the MLQ, the MLQ 5X, was developed in 2000 to address researcher concern related to issues of validation and reliability. Recent results support the construct validity and reliability of the current survey tool.

A total of 3,786 respondents in fourteen independent samples ranging in size from 45 to 549 in U.S. and foreign firms and agencies completed the MLQ 5X, each describing their respective leader. The findings indicate that the current tool effectively measures the full range of leadership it purports to measure (Avolio, Bass, & Jung, 1995) . A recent meta-analysis of 33 independent empirical studies using the MLQ concluded that there were strong positive correlations between all components of transformational leadership and both subjective and objective measures of performance. Individuals who exhibited transformational leadership were perceived to be more effective leaders with better work outcomes than those who exhibited only transactional leadership (Lowe et al., 1996). Use of the MLQ as a leadership assessment tool is established in the literature (Avolio & Bass, 1999; Gasper, 1992; Hater & Bass, 1988; Lowe et al., 1996; MacGregor Burns, 2003; Waldman et al., 1990) and has been used in over 200 programs in the past ten years (Bass, 1999).

Intercorrelations among the MLQ 5X factor scores revealed high positive correlations among the first five transformational leaders' scales (.68-.87). There were also positive relationships between contingent reward and each of the five transformational leadership scales (.68-.75). MBE-A exhibited either low positive or negative correlations with the transformational and constructive (CR) form of transactional leadership (-.03-.03). The MBE-P and laissez faire scores correlated negatively with all of the transformational leadership scales (.18-.28) and highly correlated with each other (.74). Satisfactory levels of internal consistency (.51-.82) were realized for all of the indicators loading on each construct (Bass & Avolio, 2000). Bass and Avolio (1995) reported on the reliability of the MLQ by integrating the survey results of 2,154 individuals. The reliabilities for the total items and for each leadership factor scale ranged from .74-.94. The reliability of all of the scales' was generally high, exceeding the standard cut-offs for internal consistency recommended in the literature (Gall, Gall, & Borg, 2003).

A number of researchers have challenged the psychometric properties of the MLQ and have revealed discrepancies due to a number of underlying conceptual weaknesses in the transformational leadership model (Tejeda et al., 2001; Yukl, 1989). In some versions of the MLQ, the four factors of transformational leadership correlate highly with each other and are therefore not considered distinct factors. Additionally, some of the

transformational factors correlate with the transactional and laissez-faire factors, suggesting they are not unique to the transformational model (Tejeda et al., 2001; Tracey & Hinkin, 1998). Nevertheless, the MLQ appears to be the standard for measuring leadership style.

The MLQ was used to measure nine profile areas, clustered into three segments. These segments and profile areas include:

1) *Transformational Leadership (consisting of five domains)*

- a. *IA – idealized attributes.* Leader instills pride in others, goes beyond self-interest for the good of the group and displays a sense of power and self-confidence.
- b. *IB – idealized behaviors.* Leader provides others with a clear sense of purpose and vision, serves as a role model for ethical behavior and trust building
- c. *IM - inspirational motivation.* Leader communicates high expectation of followers, inspiring them to become committed to the organization's shared vision; tries to make others feel their work is significant.
- d. *IS - intellectual stimulation.* Leader stimulates followers to be creative and innovative, to challenge their own beliefs and values as well as those of the leader and the organization.
- e. *IC - individualized consideration.* Leader provides a supportive climate in which leaders listen carefully to the individual needs

of the followers; act as coach and advisor while assisting individuals in reaching their full potential.

2) *Transactional Leadership* (consisting of two domains)

- a. *CR - contingent reward*. Leader and follower engage in an exchange process in which efforts by followers are exchanged for specific rewards; leaders try to obtain agreement from followers on what needs to be done and what the payoff will be for the people doing it.
- b. *MBE-A - management by exception (active.)* Leadership that involves corrective criticism, negative feedback, and negative reinforcement. The active form of MBE has the leader watching closely for mistakes or rule violations and then taking corrective action.

3) *Passive/Avoidant Leadership* (consisting of two domains)

- a. *MBE-P - management by exception (passive)*. Leadership that involves corrective criticism, negative feedback, and negative reinforcement. The passive form of MBE is when the leader intervenes only after standards have not been met or when problems arise.
- b. *LF - laissez-faire*. The absence of leadership; a hands off, "let things ride" approach; leader abdicates responsibility, delays decisions, gives no feedback, and makes little effort to help

followers satisfy their needs. There is neither exchange with the followers nor any attempt to help them grow.

The MLQ model suggests that leaders display each style to some extent. The results of the survey represent how frequently a leader displays a particular style of leadership. The leader with an optimal leadership profile rarely utilizes laissez faire leadership, demonstrating instead a higher frequency of transactional and even greater frequency of transformational leadership components. The survey results are first reported using average aggregate scores ranging from 0-4. Scores are separated into different rater groups (self, peer, superior, subordinate), and comparisons are made relative to the MLQ-recommended optimal leadership (aggregate norms).

Individual CEOs responded to 45 questions (four questions in each of the nine profile areas and nine additional questions in the outcome areas of extra effort, effectiveness, and satisfaction). The respondents were asked to “judge how frequently each statement fits” their perception of themselves. Responses were rated on the following 5-point Likert scale: 0) not at all; 1) once in a while; 2) sometimes; 3) fairly often; and 4) frequently, if not always. Sample questions include, “I provide others with assistance in exchange for their efforts,” “I am absent when needed,” and “I instill pride in others for being associated with me.”

### *Rokeach Values Survey*

The Rokeach Values Survey© (RVS) (Rokeach, 1967) is a tool used to measure the importance of human values. It consists of 18 instrumental (desirable modes of conduct) and 18 terminal (desirable end states) values. Examples of instrumental values include “ambitious (hard working, aspiring)” and “honest (sincere, truthful).” Terminal value examples include, “a comfortable life (a prosperous life)” and “a world of peace (free of war and conflict).” The standard version, Form 1, requires the respondents to rank in order each set of values in terms of their importance as “guiding principles in your life” (Rokeach, 1967, p. 27).

The RVS was developed to offer a theoretical perspective on the nature of values in a cognitive framework and a value measurement instrument (Rokeach, 1967). This tool is widely used and accepted by psychologists, political scientists, economists and others interested in “understanding what values are, what people value, and what is the ultimate function or purpose of values” (Johnston, 1995, p. 583). This instrument has broad applicability and has been considered a tool that has construct and predictive validity across a wide variety of populations and settings (Braithwaite & Law, 1985; Cooper & Clare, 1981; Feather, 1980, 1986; Feather & Peay, 1975; Rankin & Grube, 1980; Rokeach, 1973).

There is much discussion in the literature about the effectiveness of rank order vs. rating of values as it relates to reliability and consistency.



Rokeach initially stated that values represent *choices* people must make in life and that choices are better captured in ranking procedures (Rokeach, 1973). While values rating is easier and faster to administer than values ranking and yields data that is easier to analyze statistically, it is less preferred by researchers. Personal values are considered to be inherently positive constructs with respondents offering little differentiation among values, thereby 'end-piling' the ratings toward the positive end (McCarty & Shrum, 2000). Values' ranking is most effective where the respondents first pick the most and least important values, then rank them (from most to least). This provides more information and less end-piling than in a simple rating procedure (Rokeach, 1973).

The fact that the RVS only elicits an ordinal level of measure, and that it is an ipsative measure (i.e., a measure against itself), restricts the type of permissible analysis. Ipsative measures violate the assumption of complete independence of score. Also, given the scaling properties, it is not possible to use ordinal measures to discuss the intensity at which people hold certain values. As a result, it is not possible to extract a representative subset of values (Feather & Peay, 1975; Johnston, 1995; Miethe, 2001). However, the RVS exhibited less measurement error than a 100-point rating, magnitude estimation, and handgrip scaling procedure. Thus, "rank order scaling is shown to be the best technique for measuring

human values even though it achieves only an ordinal scale" (Miethe, 2001).

There are no meaningful rank-order correlations between individual values, and despite numerous attempts, factor analysis has not produced a consistent set of underlying factors. Research found that test-retest reliabilities for the terminal values of the RVS ranged from .78 three weeks after the initial survey results to .69 at 14-16 months after initial completion of the survey. Additionally, instrumental test-retest reliabilities ranged from .71-.61 across the same period (Rokeach, 1973).

Validity studies showed that "individualism-achievement and collectivism-affiliation are underlying dimensions of the RVS for both the terminal and instrumental values" (Johnston, 1995, p. 583). Collectivism is considered to be a culture that describes a tight social framework in which people expect others in groups of which they are a part to look after them and protect them. On the other hand, individualism is considered to be a culture describing the degree to which people prefer to act as individuals rather than as members of a group. Johnston found that the two dimensions, individualism and collectivism, are not single, bipolar dimensions, but are two distinct dimensions. Therefore, the leaders' values can fall more heavily into one of two dimensions (Johnston, 1995).

Seventy-two individuals completed the RVS as the researchers attempted to determine the possible value dimensions of the tool. For

both the terminal and instrumental data, 76 similarity matrices were generated and submitted to multidimensional scaling. Instrumental values yielded stress coefficients of .142, .110, .095, .082, and .07. The terminal values yielded coefficients of .151, .113, .092, .082, and .07. These results were plotted, with the resultant two dimensions emerging as individualism and collectivism. These two dimensions will be used as the basis for values analysis in this research and include those listed below.

Table 1

## Rokeach Values Scale-Individualism v. Collectivism Factors

| RVS - Dimensions    | Individualism  | Collectivism  |
|---------------------|--|---|
| Instrumental Values | <ul style="list-style-type: none"> <li>• Imaginative</li> <li>• Intelligent</li> <li>• Logical</li> <li>• Broad-minded</li> <li>• Courageous</li> <li>• Ambitious</li> <li>• Capable</li> <li>• Independent</li> </ul>                         | <ul style="list-style-type: none"> <li>• Self-controlled</li> <li>• Responsible</li> <li>• Obedient</li> <li>• Clean</li> <li>• Helpful</li> <li>• Polite</li> <li>• Honest</li> <li>• Cheerful</li> <li>• Loving</li> <li>• Forgiving</li> </ul>                                   |
| Terminal Values     | <ul style="list-style-type: none"> <li>• Self-respect</li> <li>• Health</li> <li>• Social recognition</li> <li>• Accomplishment</li> <li>• Pleasure</li> <li>• Comfortable life</li> <li>• Exciting life</li> <li>• World of beauty</li> </ul> | <ul style="list-style-type: none"> <li>• Mature love</li> <li>• Salvation</li> <li>• True friendship</li> <li>• Freedom</li> <li>• World at peace</li> <li>• National security</li> <li>• Wisdom</li> <li>• Family security</li> <li>• Equality</li> <li>• Inner harmony</li> </ul> |

Finally, each CEO was asked to complete a personal questionnaire. The questionnaire included information about the CEO's age, gender, number of years of hospital CEO experience, and estimated number of hours of leadership training received in the past three years.

#### Procedure

Surveys were completed manually on documents delivered through the US Postal Service. CEOs and other respondents completed the tool within the same five week time span; therefore the research is considered to be a *point in time* study.

All CEOs were provided with information about completing the MLQ, RVS, PVSIII-R (hardiness survey) and biographical information. In addition, the CEOs were provided with six MLQ Rater forms with self-addressed stamped envelopes for the CEO to distribute to their selected participants. Other participants were not asked to complete the RVS, PVSIII-R or the personal questionnaire. The instructions to complete the assessment were provided to each of the participants. The only identifying information on the participant MLQ was the CEO's identification number. The participants were instructed to return their surveys directly to the researcher in the self-addressed stamped envelope that was attached to the survey.

The survey completion information was distributed to the CEOs in January 2004. The CEOs then forwarded the information to 6-8

associates with a preference (not requirement) to have two subordinates, two peers or customers, and two superiors complete the MLQ. All individuals were asked to complete the assessment by February 23, 2004. CEOs were assured that tests scores and sheets were numbered so that follow-up reminders could be sent, yet confidentiality maintained. Only the researcher saw the individual results.

Follow-up contacts were made to participating CEOs to update them on the status of their responses and respondents. The CEOs were told how many individuals in each preferred area had responded, and were encouraged to increase participation where necessary.

Individual results from the survey were captured in Microsoft Excel© format to allow the researcher to respectively confirm and validate the respondents and to obtain the response scores in a statistics-ready format.

### Analysis

Several types of statistical analysis were selected and parameters for their use determined in advance of receipt of data and commencement of analysis. The type of tests and use of the results were tailored to the nature of comparisons made. All of these tests were included in the statistical software, Statistical Package for Social Sciences (SPSS, 11.5, 2003) and StatXact by Cytel Software Corporation (2003).

Raw scores on the MLQ and RVS were analyzed generating mean scores. Due to the sample size, significance was identified at the .05 level (Gall et al., 2003). The data was analyzed and scores correlated on the measured variables (MLQ) that represented leadership style and the independent variables. The independent variables were measured in the form of categories. A nominal scale was used for gender (male/female) and hospital setting (urban, rural referral, rural, critical access). An interval scale was used for age, years of experience, and hours of training, and hospital size. The dependent variables of leadership styles were measured on an interval scale. These scores were averaged to create a mean score between 0-4 for each of the nine profile areas. From those areas, the leaders' strengths were identified relative to transformational, transactional or passive/avoidant leadership. Mean scores were calculated for the outcome measures of extra effort, effectiveness and satisfaction as related to the CEO being assessed.

The mean score of each leadership style (transformational, transactional, passive-avoidant) was then compared to the quadrant tendency (instrumental individualist, instrumental collectivist, terminal individualist, terminal collectivist) of CEO's self-perceived values as indicated on the RVS. The leadership style results were compared to the results of the RVS, when bracketed as individualism or collectivism, to assess the relationship between values and leadership style.

Pearson's correlation coefficient was calculated to determine the relationships among the results for leadership style and independent variables. Independent-samples T tests, one-sample T tests, and ANOVAs were conducted to allow the researcher to describe and explore the relationships between each of the nine leadership areas and various independent variables. This allowed the researcher to study how these factors, singly and in combination, affected the outcome variable of leadership style. Bivariate correlation coefficients, multiple correlation coefficients, and tests of significance were used to assess the degree and direction of the relationships. Hospital size and setting and CEO age, gender, experience and training were separately considered in multiple analyses of variance and T tests. Relevant correlations include those indicated in Table 2.

Table 2

Independent v. Dependent Variables

| Independent Variable   | Dependent Variable   |
|--|--|
| Values (individualism v. collectivism)                           | Leadership style (transformational, transactional, passive/avoidant) |
| CEO's gender   | Leadership style   |
| Number of hours of leadership training in previous three years   | Leadership style   |
| CEO's age  | Leadership style   |
| CEO's years of experience as CEO                                 | Leadership style   |
| Hospital setting (rural, urban, rural referral, critical access) | Leadership style   |
| Hospital size (based on annual revenue)                          | Leadership style   |



## Chapter 4

## ANALYSIS OF THE DATA

Iowa hospital CEOs and their associates participated in this research by responding to surveys and biographical questions. Sixty-three of 116 CEOs (54%) completed the MLQ, RVS, PVRII, and a set of biographical questions. Two hundred ninety of their peers (such as customers or other CEOs), superiors (board members) and subordinates (employees or staff reporting to the CEO) completed the MLQ, referencing the leadership characteristics of their affiliated CEO. This represents an average of 4.7 associate respondents per CEO. Table 3 reflects the participation of the CEOs in this study relative to gender and hospital settings in the state of Iowa.

Table 3

Demographics of Participating CEOs Relative to Gender and Hospital Setting

| Actual    | Totals | Percent | Respondents | Percent |
|-----------|--------|---------|-------------|---------|
| Females   | 27     | 23.3%   | 14          | 22.2%   |
| Males     | 89     | 76.7%   | 49          | 77.8%   |
|           | 116    | 100.0%  | 62          | 100.0%  |
| Urban     | 22     | 18.3%   | 9           | 14.3%   |
| Rural     | 37     | 30.9%   | 25          | 39.7%   |
| Rural Ref | 7      | 5.8%    | 2           | 3.2%    |
| VA        | 3      | 2.5%    | 1           | 1.6%    |
| CAH       | 51     | 42.5%   | 26          | 41.3%   |
|           | 120    | 100.0%  | 63          | 100.0%  |

These statistics suggested that the respondents reflect the population of Iowa hospital CEOs relative to gender and hospital setting. Table 3 indicates that a representative sample of Iowa hospital CEOs responded to the survey. Note that 22.6% of the respondents were female and 23.3% of all Iowa hospitals CEOs are female. The hospital settings of the responding CEOs were also a representative sample of the current split of hospital settings in Iowa. A chi-square goodness of fit revealed that there is no significant difference between the sample group and the general population of Iowa hospital CEOs. The gender sample was highly associated with the gender distribution in the total population ( $p = .8832$ ). The hospital setting sample was also highly associated with the hospital setting distribution in the state ( $p = .5225$ ). Note that the total number of Iowa hospitals did not directly equate to the total number of Iowa hospital CEOs because there were some individual CEOs who have served in that capacity for more than one hospital.

The 290 associate respondents who completed the MLQ included 209 individuals (72%) at a lower organizational level than the CEO; 38 individuals (13.1%) at a higher level than the CEO; 26 individuals (9%) at the same level; and 17 individuals (5%) at an unknown level or who chose not to reveal their level (Table 4). Demographically, the CEOs' mean years of experience was reported to be 11.33 years with a S.D. of 8.65. The mean reported age was 49.32, with a S.D. of 7.50. The leaders

reported a mean of 98.04 hours of leadership training in the past three years with a S.D. of 101.15. The mean of the reported annual net revenues for the hospitals in which the CEOs worked was \$63,344,437 with a S.D. of \$130,727,892. Table 5 reflects the demographics of the hospital CEOs relative to years of experience, age, hours of leadership training in the preceding three years, and net revenue of the hospital in which they serve.

Table 4

Associate Respondents (Evaluators)  
and Their Relationship to the CEO

| Rater Level  | Frequency | Percent |
|--------------|-----------|---------|
| Higher level | 38        | 13.1    |
| Same level   | 26        | 9.0     |
| Lower level  | 209       | 72.1    |
| Unknown      | 17        | 5.9     |
| Total        | 290       | 100.0   |

Table 5

Demographics of Participating CEOs

|                              | N  | Minimum     | Maximum       | Mean         | Std. Deviation |
|------------------------------|----|-------------|---------------|--------------|----------------|
| Years of Experience          | 57 | 1           | 31            | 11.33        | 8.651          |
| Age                          | 59 | 29          | 63            | 49.32        | 7.503          |
| Hours of Leadership Training | 57 | 6           | 600           | 98.04        | 100.146        |
| Hospital Size in net revenue | 62 | \$2,757,629 | \$869,612,477 | \$63,344,437 | \$133,693,548  |

N = only those CEOs who chose to complete that portion of the demographic survey.

Given these demographics, the results of the MLQ were next examined to determine the leadership styles of the CEOs. Leadership styles were then compared with identified factors to address the stated hypotheses.

### MLQ Results

Sixty-three CEOs completed the MLQ. Findings were examined in nine profile areas and the three broad leadership areas of transactional, transformational and passive-avoidant leadership. Additionally, CEOs selected 290 individuals familiar with the CEOs' leadership work to complete the MLQ about their respective CEO. The participants rated the leaders on a frequency scale of 0-4, with 0 indicating that a defined behavior occurred "not at all"; 1, it occurred "once in a while;" 2, it occurred "sometimes;" 3, it occurred "fairly often;" and 4, it occurred "frequently, if not always." The results in Table 6 indicate that raters scored hospital CEOs as having a higher mean for transformational behaviors (mean 3.23, S.D .428, N=61) compared to transactional or passive-avoidant behaviors. The mean of observed transactional leadership behaviors, rated by the same individuals, was 2.40 with a S.D. of .373. Finally, passive-avoidant leadership behaviors had a rated mean of .92 with a S.D. of .59 (Table 6).

Table 6

Mean and Standard Deviations of Raters' Scores of CEOs on MLQ

|                             | Mean   | Std.<br>Deviation | N  | Minimum | Maximum |
|-----------------------------|--------|-------------------|----|---------|---------|
| Transformational Leadership | 3.2267 | .42809            | 61 | 1.1333  | 3.7667  |
| Transactional Leadership    | 2.3975 | .37302            | 61 | 1.2500  | 3.4000  |
| Passive-Avoidant Leadership | .92182 | .59067            | 61 | .0625   | 3.2083  |

A Pearson's correlation coefficient was calculated for the relationship among the three leadership styles of transformation, transactional and passive-avoidant leadership (Table 7). A strong negative correlation was found ( $r = -.709$ ,  $p < .001$ ) between transformational leadership and passive-avoidant leadership, suggesting that transformational leaders were less likely to also be passive-avoidant leaders. A moderate positive correlation was noted ( $r = .492$ ,  $p < .001$ ) between transformational and transactional leadership styles, suggesting that, as transformational leadership scores decreased or increased, so did transactional leadership scores. An insignificant negative correlation was noted between transactional and passive-avoidant leadership ( $r = -.092$ ,  $p < .005$ ), suggesting a very weak relationship between the two styles.

Table 7

Pearson's Correlation Coefficient Between Transformational,  
Transactional, and Passive-Avoidant Leadership Styles

|  |  | Transformational<br>Leadership | Transactional<br>Leadership | Passive-Avoidant<br>Leadership |
|--|--|--------------------------------|-----------------------------|--------------------------------|
| Transformational<br>Leadership<br>N=61 | Pearson Correlation                      | 1                              |                             |                                |
|  | Sig. (2-tailed)                          | .                              |                             |                                |
| Transactional<br>Leadership<br>N=61    | Pearson Correlation<br>(unweighted mean) | .492(**)                       | 1                           |                                |
|  | Sig. (2-tailed)                          | .000                           | .                           |                                |
| Passive-Avoidant<br>Leadership<br>N=61 | Pearson Correlation<br>(unweighted mean) | -.709(**)                      | -.092                       | 1                              |
|  | Sig. (2-tailed)                          | .000                           | .479                        | .                              |

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Relative to others outside of this study who completed the MLQ, hospital CEOs were rated at or above the 50<sup>th</sup> percentile (Table 8) for transformational and transactional leadership behaviors in six out of seven profile areas when compared with 2080 other rated individuals (Bass & Avolio, 2000). Hospital CEOs were rated at or below the 50<sup>th</sup> percentile for passive-avoidant leadership profile areas. These findings indicate that hospital CEOs had stronger profiles in transformational and transactional leadership behaviors when compares to a meta-analysis research population and that the hospital CEOs had less passive-avoidant behaviors when compared to that same group. Additionally, hospital CEOs ranked at or above the 50<sup>th</sup> percentile based on others' ratings for extra effort (50<sup>th</sup> percentile), effectiveness (80<sup>th</sup> percentile) and satisfaction (60<sup>th</sup> percentile). These results place hospital CEO mean scores above

others in transformational and transactional leadership and below others in passive-avoidant leadership areas.

Table 8

Comparison of Means Between Hospital CEOs' Leadership Profiles, Lowe and Kroeck's Meta-analysis, and Bass's MLQ Findings

| Profile Areas                        | Hospital<br>CEO<br>Mean | Lowe &<br>Kroeck's<br>means | Percentile Score of<br>CEOs relative to<br>Bass's findings |
|--------------------------------------|-------------------------|-----------------------------|--|
| Idealized Influence<br>– Attributed  | 3.12                    |                             | 80 <sup>th</sup> percentile                                |
| Idealized Influence<br>– Behavior    | 3.54                    | 2.52                        | 70 <sup>th</sup> percentile                                |
| Inspirational Motivation             | 3.44                    |                             | 80 <sup>th</sup> percentile                                |
| Intellectual Stimulation             | 3.13                    | 2.48                        | 70 <sup>th</sup> percentile                                |
| Individual Consideration             | 3.31                    | 2.5                         | 50 <sup>th</sup> percentile                                |
| Contingent Reward                    | 3.17                    | 1.83                        | 80 <sup>th</sup> percentile                                |
| Management by<br>Exception – Active  | 1.43                    |                             | 30 <sup>th</sup> percentile                                |
| Management by<br>Exception – Passive | 1.28                    |                             | 50 <sup>th</sup> percentile                                |
| Laissez-faire                        | .583                    | 2.32                        | 40 <sup>th</sup> percentile                                |
| Extra Effort                         | 3.10                    | N/A                         | 50 <sup>th</sup> percentile                                |
| Effectiveness                        | 3.38                    | N/A                         | 80 <sup>th</sup> percentile                                |
| Satisfaction                         | 3.32                    | N/A                         | 60 <sup>th</sup> percentile                                |

Gaspar's (1992) completion of a meta-analysis of the MLQ results included 22 studies and revealed a mean transformational leadership score of 2.47 with a S.D. of 0.64. Transactional leadership scores of 2.02 with a S.D. of 0.64 were indicated in that research. Gaspar's results are relational, yet much lower than hospital CEOs who demonstrated a

transformational leadership mean of 3.23 (S.D. = .578) and a transactional leadership mean of 2.39 (S.D. = .579). A 1996 MLQ meta-analysis (Lowe et al., 1996) integrated 114 published and unpublished studies with sample sizes ranging from 6232 to 7163 individuals. These results were compared to hospital CEOs in five different profile areas in Table 8. These findings further support the higher transformational scores and lower passive-avoidant leadership scores of hospital CEOs related to others.

Within the MLQ, the outcome areas of extra effort ( $r = .830, p < .01$ ), effectiveness ( $r = .786, p < .01$ ), and satisfaction ( $r = .776, p < .01$ ) highly correlated with transformational leadership (Table 9). A weaker, yet statistically significant, correlation existed between transactional leadership and the outcome area of extra effort ( $r = .288, p < .05$ ). A moderate negative correlation existed between passive-avoidant leadership and the three outcome areas of extra effort ( $r = -.449, p < .01$ ), effectiveness ( $r = -.693, p < .01$ ), and satisfaction ( $r = -.573, p < .01$ ). These findings suggest that the three variables (CEO effectiveness, rater extra effort and satisfaction) were all significantly correlated to transformational, transactional and passive-avoidant leadership styles. These findings, while not part of the original hypotheses, offer interesting observations about relationships between the leaders' style and the raters' effort, their perception of the leaders' effectiveness, and the raters' satisfaction with the leader.



Table 9

Pearson's Correlation Coefficient Between MLQ Leadership Profile Area and Leadership Style

| Leadership Style<br>N=58 | Profile Area        | CEO<br>Transformational | CEO<br>Transactional | CEO<br>Passive-Avoidant |
|--------------------------|---------------------|-------------------------|----------------------|-------------------------|
| Transformational         | Idealized Influence |                         |                      |                         |
|                          | - Attributed        | .851(**)                | .304(*)              | -.473(**)               |
| Transformational         | Idealized Influence |                         |                      |                         |
|                          | - Behavior          | .885(**)                | .246                 | -.379(**)               |
| Transformational         | Inspirational       | .856(**)                | .275(*)              | -.524(**)               |
|                          | Motivation          |                         |                      |                         |
| Transformational         | Intellectual        | .769(**)                | .113                 | -.486(**)               |
|                          | Stimulation         |                         |                      |                         |
| Transformational         | Individual          |                         |                      |                         |
|                          | Consideration       | .747(**)                | .205                 | -.311(*)                |
| Transactional            | Contingent Reward   | .724(**)                | .588(**)             | -.376(**)               |
| Transactional            | Management by       |                         |                      |                         |
|                          | Exception-Active    | -.150                   | .779(**)             | .382(**)                |
| Passive-Avoidant         | Management by       |                         |                      |                         |
|                          | Exception-Passive   | -.512(**)               | .203                 | .821(**)                |
| Passive-Avoidant         | Laissez-Faire       | -.516(**)               | .103                 | .820(**)                |
| Outcome Measure          | Extra Effort        | .830(**)                | .288(*)              | -.449(**)               |
| Outcome Measure          | Effectiveness       | .786(**)                | .131                 | -.693(**)               |
| Outcome Measure          | Satisfaction        | .776(**)                | .073                 | -.573(**)               |

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

An ANOVA was run to identify the variability within the rater groups.

No significant differences were noted in how the various raters perceived the CEOs leadership work (Table 10). Most notably, there were no significant differences between how the CEOs rated themselves in various style, profile, and outcome areas compared with the ratings of the CEOs' peers, superiors, subordinates and unknowns.

Table 10

Variability of MLQ Scores by Rater

| Evaluator    |      | Transformational Leadership | Transactional Leadership | Passive-Avoidant Leadership |
|--------------|------|-----------------------------|--------------------------|-----------------------------|
| Self         | Mean | 3.2267                      | 2.3975                   | .9218                       |
|              | N    | 61                          | 61                       | 61                          |
|              | S.D. | .4280                       | .3730                    | .5906                       |
| Higher level | Mean | 3.2418                      | 2.3895                   | .8189                       |
|              | N    | 38                          | 38                       | 38                          |
|              | S.D. | .3711                       | .3201                    | .4551                       |
| Same level   | Mean | 3.2661                      | 2.5523                   | .8349                       |
|              | N    | 26                          | 26                       | 26                          |
|              | S.D. | .3171                       | .2467                    | .4244                       |
| Lower level  | Mean | 3.2264                      | 2.3659                   | .9019                       |
|              | N    | 209                         | 209                      | 209                         |
|              | S.D. | .4181                       | .3430                    | .5515                       |
| Unknown      | Mean | 3.2658                      | 2.5287                   | .9215                       |
|              | N    | 17                          | 17                       | 17                          |
|              | S.D. | .2436                       | .2030                    | .3546                       |
| Total        | Mean | 3.2330                      | 2.3956                   | .8924                       |
|              | N    | 351                         | 351                      | 351                         |
|              | S.D. | .3999                       | .3377                    | .5312                       |

### Hypotheses

*Hypothesis 1: Hospital CEOs who exhibit transformational leadership styles describe their personal values as collectivist.*

*Hypothesis 2: Hospital CEOs who exhibit transactional leadership styles describe their personal values as individualist.*

Each CEO completed the Rokeach Values Survey (Rokeach, 1967). Table 11 reflects the mean of each terminal value identified by the CEOs in order of most important to least important. Inspection of the data revealed that the CEOs identified the same top seven of eighteen terminal values (i.e., preferred state of existence) and bottom four terminal values regardless of the gender or age of the CEO, with ages broken into two

groups (<50 years of age, >50 years of age). Variability occurred across age and gender factors in the middle seven terminal values.

Table 11

Mean Scores of CEO Self-rated Terminal Values

|                              | Mean of<br>All CEOs | Mean of<br>Female<br>CEOs | Mean of<br>Male<br>CEOs | Mean of<br>CEOs <<br>Age 50 | Mean of<br>CEOs ≥<br>Age 50 |
|------------------------------|---------------------|---------------------------|-------------------------|-----------------------------|-----------------------------|
| N                            | 59                  | 14                        | 45                      | 28                          | 31                          |
| Family security              | 3.08                | 3.57                      | 2.93                    | 2.82                        | 3.32                        |
| Health &<br>happiness        | 5.36                | 5.36                      | 5.36                    | 5.25                        | 5.45                        |
| A sense of<br>accomplishment | 5.98                | 5.00                      | 6.29                    | 5.68                        | 6.26                        |
| Self-respect                 | 6.05                | 6.36                      | 5.96                    | 7.11                        | 5.10                        |
| Wisdom                       | 6.86                | 7.36                      | 6.71                    | 7.89                        | 5.94                        |
| Freedom                      | 7.29                | 6.64                      | 7.49                    | 7.50                        | 7.10                        |
| Salvation                    | 7.75                | 6.86                      | 8.02                    | 7.14                        | 8.29                        |
| Inner Harmony                | 8.27                | 8.71                      | 8.13                    | 8.21                        | 8.32                        |
| True friendship              | 8.34                | 9.57                      | 7.96                    | 8.39                        | 8.29                        |
| Mature love                  | 9.12                | 7.79                      | 9.53                    | 8.89                        | 9.32                        |
| A comfortable life           | 11.51               | 12.71                     | 11.13                   | 11.29                       | 11.71                       |
| An exciting life             | 11.53               | 11.43                     | 11.56                   | 11.64                       | 11.42                       |
| Equality                     | 12.10               | 12.00                     | 12.13                   | 12.57                       | 11.68                       |
| A world at peace             | 12.64               | 11.93                     | 12.87                   | 12.50                       | 12.77                       |
| Social recognition           | 13.34               | 13.21                     | 13.38                   | 13.43                       | 13.26                       |
| National security            | 13.59               | 12.86                     | 13.82                   | 13.61                       | 13.58                       |
| Pleasure                     | 13.68               | 15.21                     | 13.20                   | 13.04                       | 14.26                       |
| A world of beauty            | 14.14               | 13.93                     | 14.20                   | 13.71                       | 14.52                       |

Instrumental values (modes of behavior, means of achieving terminal values) are reflected in Table 12. While CEOs collectively ranked honesty, responsibility, capability, and courage as their top four instrumental values, variability in these values was seen relative to age and gender. Additionally, values that were ranked at the lowest levels of

importance included politeness, obedience, and cleanliness regardless of the CEO's age or gender.

Table 12

Mean Scores of CEO Self-Rated Instrumental Values

|              | Mean of<br>All CEOs | Mean of<br>Female<br>CEOs | Mean of<br>Male<br>CEOs | Mean of<br>CEOs <<br>Age 50 | Mean of<br>CEOs ≥<br>Age 50 |
|--------------|---------------------|---------------------------|-------------------------|-----------------------------|-----------------------------|
| N            | 59                  | 14                        | 45                      | 28                          | 31                          |
| Honest       | 3.51                | 4.00                      | 3.36                    | 3.75                        | 3.29                        |
| Responsible  | 6.10                | 6.14                      | 6.09                    | 6.29                        | 5.94                        |
| Capable      | 7.14                | 6.43                      | 7.36                    | 7.64                        | 6.68                        |
| Courageous   | 7.24                | 9.64                      | 6.49                    | 8.71                        | 5.90                        |
| Ambitious    | 8.08                | 7.71                      | 8.20                    | 7.50                        | 8.61                        |
| Loyal        | 8.10                | 9.57                      | 7.64                    | 7.71                        | 8.45                        |
| Intellectual | 8.61                | 7.57                      | 8.93                    | 9.75                        | 7.58                        |
| Independent  | 9.14                | 8.64                      | 9.29                    | 10.18                       | 8.19                        |
| Helpful      | 9.20                | 8.71                      | 9.36                    | 8.54                        | 9.81                        |
| Loving       | 9.97                | 8.93                      | 10.29                   | 9.25                        | 10.61                       |
| Logical      | 10.10               | 12.71                     | 9.29                    | 9.86                        | 10.32                       |
| Forgiving    | 10.27               | 7.71                      | 11.07                   | 9.75                        | 10.74                       |
| Broad-minded | 10.39               | 9.21                      | 10.76                   | 10.89                       | 9.94                        |
| Imaginative  | 11.14               | 11.14                     | 11.13                   | 11.25                       | 11.03                       |
| Polite       | 12.12               | 12.21                     | 12.09                   | 11.64                       | 12.55                       |
| Obedient     | 14.22               | 15.00                     | 13.98                   | 13.86                       | 14.55                       |
| Clean        | 14.51               | 14.43                     | 14.53                   | 13.57                       | 15.35                       |

Instrumental and terminal values were further categorized into collectivist and individualist subsets (as outlined Chapter 3, Table 1) resulting in a mean score for each subcategory (Table 13). Lower scores in each subset factor suggested a higher level importance to the individual. Observation of the data revealed that the CEOs had stronger instrumental individualistic (II) scores than instrumental collectivist (IC) scores. They also had stronger terminal collectivistic (TC) scores than terminal individualistic (TI) scores. These findings indicate that, contrary

to the original hypotheses, transformational leaders do not tend to be more collectivistic in their values and transactional leaders do not tend to be more individualistic in their values.

Pearson's correlation coefficient was calculated to test the two hypotheses. The correlation was completed for the relationship between the subjects' values (II, IC, TI, and TC) and the leadership styles of the CEOs. No significant correlations were found between the instrumental and terminal values of collectivism and individualism and the leaders' styles (Table 13). Transformational, transactional, and passive-avoidant leadership styles were not significantly related to collectivist or individualist value scores. No significant differences were noted when performing the same analysis using the mean of the CEO clusters instead of the individual means of the respondents. Therefore, hypotheses 1 and 2 have not been supported.

Table 13

Values of Collectivism and Individualism: Means and Correlation with Leadership Style

| Leadership Style<br>N=54       |                 | Instrumental<br>Individualism | Instrumental<br>Collectivism | Terminal<br>Individualism | Terminal<br>Collectivism |
|--------------------------------|-----------------|-------------------------------|------------------------------|---------------------------|--------------------------|
| Mean Scores                    |                 | 9.045                         | 9.828                        | 10.22                     | 8.884                    |
| Standard Deviation             |                 | 1.670                         | 1.321                        | 1.438                     | 1.117                    |
| Transformational<br>Leadership | Pearson         |                               |                              |                           |                          |
|                                | Correlation     | .125                          | -.118                        | .088                      | -.061                    |
|                                | Sig. (2-tailed) | .367                          | .397                         | .527                      | .660                     |
| Mean Score                     |                 |                               |                              |                           |                          |
| Transactional<br>Leadership    | Pearson         |                               |                              |                           |                          |
|                                | Correlation     | -.004                         | .065                         | -.055                     | .096                     |
|                                | Sig. (2-tailed) | .975                          | .643                         | .690                      | .489                     |
|                                |                 |                               |                              | 54                        |                          |
| Passive-Avoidant<br>Leadership | Pearson         |                               |                              |                           |                          |
|                                | Correlation     | -.121                         | .122                         | -.064                     | .058                     |
|                                | Sig. (2-tailed) | .383                          | .381                         | .647                      | .679                     |

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Hospital size, CEO age, years of experience, and leadership training were correlated to instrumental and terminal values using the Pearson's correlation coefficient. A weak positive correlation was found ( $r = .274$ ,  $p < .005$ ) between hospital size and instrumental collectivism. A weak negative correlation was found ( $r = -.266$ ,  $p < .005$ ) between hospital size and instrumental individualism (Table 14). These findings suggest that the larger the hospital size, the more important the instrumental individualism factors were to the CEO. Likewise, the smaller the hospital size, the more important instrumental collectivism was to the CEO. Yet, the findings appear weak enough to be of little practical value. No other significant correlations existed relative to the examined value scores.

Table 14

## Correlations Between Instrumental and Terminal Values and CEO Variables

|                                 |                 | Instrumental<br>individualism | Instrumental<br>collectivism | Terminal<br>individualism | Terminal<br>collectivism |
|---------------------------------|-----------------|-------------------------------|------------------------------|---------------------------|--------------------------|
| Hospital Size                   | Pearson         |                               |                              |                           |                          |
|                                 | Correlation     | -.266(*)                      | .274(*)                      | -.108                     | .115                     |
|                                 | Sig. (2-tailed) | .043                          | .038                         | .420                      | .390                     |
|                                 | N               | 58                            | 58                           | 58                        | 58                       |
| Hours of Leadership<br>Training | Pearson         |                               |                              |                           |                          |
|                                 | Correlation     | -.047                         | .064                         | .171                      | -.184                    |
|                                 | Sig. (2-tailed) | .728                          | .638                         | .203                      | .171                     |
|                                 | N               | 57                            | 57                           | 57                        | 57                       |
| Age                             | Pearson         |                               |                              |                           |                          |
|                                 | Correlation     | -.220                         | .224                         | .102                      | -.129                    |
|                                 | Sig. (2-tailed) | .095                          | .088                         | .444                      | .331                     |
|                                 | N               | 59                            | 59                           | 59                        | 59                       |
| Years of Experience             | Pearson         |                               |                              |                           |                          |
|                                 | Correlation     | -.098                         | .075                         | .126                      | -.125                    |
|                                 | Sig. (2-tailed) | .469                          | .579                         | .351                      | .353                     |
|                                 | N               | 57                            | 57                           | 57                        | 57                       |

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Based on the work of Fredrick and Weber (1990), the hospital CEOs' values were compared with those of executives, activists and union members. The results (Table 15) indicated that hospital CEOs, executives, and union members include family security and self-respect in their top five values of importance. Hospital CEOs and executives included a sense of accomplishment and health and happiness in their top five values of importance, and only hospital CEOs ranked the value of wisdom in their top five terminal values relative to other leader groups.

Table 15

Instrumental and Terminal Values as Ranked on the Rokeach Values Scale and Compared to Other Individuals

| Executives                    |                     | Activists           |                     |
|-------------------------------|---------------------|---------------------|---------------------|
| <u>Terminal</u>               | <u>Instrumental</u> | <u>Terminal</u>     | <u>Instrumental</u> |
| 1. Self-respect               | 1. Honest           | 1. Equality         | 1. Honest           |
| 2. Family security            | 2. Responsible      | 2. A world of peace | 2. Helpful          |
| 3. Freedom                    | 3. Capable          | 3. Family security  | 3. Courageous       |
| 4. As sense of accomplishment | 4. Ambitious        | 4. Self-respect     | 4. Responsible      |
| 5. Health and happiness       | 5. Independent      | 5. Freedom          | 5. Capable          |

| Union Members           |                     | Hospital CEOs                |                     |
|-------------------------|---------------------|------------------------------|---------------------|
| <u>Terminal</u>         | <u>Instrumental</u> | <u>Terminal</u>              | <u>Instrumental</u> |
| 1. Family security      | 1. Responsible      | 1. Family security           | 1. Honest           |
| 2. Freedom              | 2. Honest           | 2. Health and happiness      | 2. Responsible      |
| 3. Health and happiness | 3. Courageous       | 3. A sense of accomplishment | 3. Capable          |
| 4. Self-respect         | 4. Independent      | 4. Self-respect              | 4. Courageous       |
| 5. Mature love          | 5. Capable          | 5. Wisdom                    | 5. Ambitious        |

Source: Based on W.C. Frederick and J. Weber. "The Values of Corporate Managers and Their Critics: An Empirical Description and Normative Implications."

Examination of instrumental values of hospital CEOs compared with executives, activists, and union members revealed that all four demographic groups placed honesty, responsibility, and capability in their top five values. Executives and hospital CEOs place ambition in their top five, and hospital CEOs placed courage in their top five values, as did union members and activists.

*Hypothesis 3: A transformational leadership style positively relates to gender with females being more transformational than males.*



Mean scores were compiled for each leadership style relative to gender. The results, reflected in Table 16 indicate that the mean female scores were higher for both transformational (3.39) and transactional (2.53) leadership scores relative to their male counterparts (3.18 and 2.36 respectively). Female mean scores were lower than male mean scores for passive-avoidant leadership styles. Additionally females' mean outcome scores, noted in Table 17, for extra effort (3.32), effectiveness (3.67) and satisfaction (3.66) were higher than their male counterparts in all three areas (3.08, 3.44, and 3.35 respectively).

Gender differences were measured relative to leadership style using an independent-sample T test. Those results suggested that equal variances can not be assumed between leadership style and gender. Females CEOs had statistically significant higher transformational means than male CEOs ( $p = .023, <.05$ ) as judged by superiors, peers, subordinates and those who wished their level to remain unknown. Transactional leadership means were not statistically significant relative to gender ( $p = .132, <.05$ ); however, male CEOs had higher, but not statistically significant, passive-avoidant means than female CEOs ( $p = .270, <.05$ ). These findings indicate that while male hospital CEOs were judged to have lower means for transformational behaviors and traits and higher means for passive-avoidant behaviors and traits than their female counterparts, the findings represent differences that range

from .10 -.21 on a 5.0 Likert scale. These results, while statistically significant, do not represent a practical difference between male and female CEOs.

A similar statistical analysis was run to determine the gender differences associated with the outcome measures of rater extra effort, satisfaction, and perceived effectiveness of the CEO. The results reflected in Table 17 indicate that when all raters' responses were combined satisfaction ( $p = .013, <.05$ ) was significantly associated with female CEOs; while extra effort ( $p = .094, <.05$ ) and effectiveness ( $p = .055, <.05$ ) were not statistically associated with either gender. Once again, while statistically significant, there is little practical significance to the differences between gender and rater perception of CEO outcomes.

Table 16

Gender Differences Related to Leadership Styles

|                             | Gender | N  | Mean   | Std. Deviation | Std. Error Mean | df    | t      | p    |
|-----------------------------|--------|----|--------|----------------|-----------------|-------|--------|------|
| Transformational Leadership | Female | 14 | 3.3921 | .22959         | .06136          | 44.83 | 2.356  | .023 |
|                             | Male   | 47 | 3.1774 | .46188         | .06737          |       |        |      |
| Transactional Leadership    | Female | 14 | 2.5306 | .36056         | .09636          | 21.88 | 1.184  | .132 |
|                             | Male   | 47 | 2.3578 | .37115         | .05413          |       |        |      |
| Passive-Avoidant Leadership | Female | 14 | .7658  | .58702         | .15689          | 21.45 | -1.131 | .270 |
|                             | Male   | 47 | .9683  | .58998         | .08605          |       |        |      |

Table 17

Gender Differences Related to Extra Effort, Effectiveness, and Satisfaction of the Raters

|               | Gender | N  | Mean | Std. Deviation | Std. Error Mean | df    | t     | p    |
|---------------|--------|----|------|----------------|-----------------|-------|-------|------|
| Extra Effort  | Female | 14 | 3.32 | .42807         | .11441          | 25.52 | 1.742 | .094 |
|               | Male   | 44 | 3.08 | .49949         | .07617          |       |       |      |
| Effectiveness | Female | 14 | 3.67 | .31116         | .08316          | 39.35 | 1.979 | .055 |
|               | Male   | 44 | 3.44 | .54066         | .08245          |       |       |      |
| Satisfaction  | Female | 14 | 3.66 | .31484         | .08415          | 40.08 | 2.586 | .013 |
|               | Male   | 44 | 3.35 | .55679         | .08491          |       |       |      |

Gender impact was also measured relative to the perception of the rater. An independent-sample T test indicated that the homogeneity of variance showed that variances were not equal with all raters (Table 18). Specifically, subordinate raters differed significantly in how they rated males and females relative to leadership styles and outcomes. Female leaders were viewed as more transformational by their subordinates and less passive-avoidant than were male leaders. These findings, while statistically significant, offered little practical variability in scores.

Table 18

## Subordinate Measure of Gender Relative to Leadership Style and Outcomes

|                             | Gender | N  | Mean   | Std. Deviation | Std. Error Mean | df | Chi-square | Sig. |
|-----------------------------|--------|----|--------|----------------|-----------------|----|------------|------|
| Transformational Leadership | female | 14 | 3.4393 | .31736         | .04956          | 1  | 5.319      | .021 |
|                             | male   | 44 | 3.1521 | .65149         | .05041          |    |            |      |
| Transactional Leadership    | female | 14 | 2.4652 | .59603         | .09308          | 1  | 1.409      | .235 |
|                             | male   | 44 | 2.3212 | .56534         | .04375          |    |            |      |
| Passive-Avoidant Leadership | female | 14 | .5893  | .48509         | .07576          | 1  | 8.246      | .004 |
|                             | male   | 44 | .9899  | .79976         | .06189          |    |            |      |

*Hypothesis 4: A transformational leadership style positively relates to recent hours of leadership training.*

A Pearson's correlation coefficient was calculated examining the relationship between leadership styles as rated by CEO associates and the CEOs' self-reporting of leadership training hours in the preceding three years. Weak and insignificant correlations were found, ( $r = .165, -.016, -.188, p > .005$ ,) for transformational, transactional, and passive-avoidant leadership respectively (Table 19).

A similar correlation was calculated between CEOs' self-reported training and their self-reported leadership style (Table 20). While weak correlations that were not significant were found for transactional leadership ( $r = .077, p > .05$ ) and passive-avoidant leadership

( $r = -.188, p > .05$ ), a weak but significant correlation was found between CEO self-reported leadership training and self-reported leadership style ( $r = .285, p < .05$ ). The practical implications of these results are ultimately insignificant relative to leadership training hours and leadership style.

Table 19

MLQ Leadership Styles Related to Leadership Training in the Previous Three Years as Rated by Associates of CEO

|                              |                     | Transformational Leadership | Transactional Leadership | Passive-Avoidant Leadership |
|------------------------------|---------------------|-----------------------------|--------------------------|-----------------------------|
| Hours of Leadership Training | Pearson Correlation | .165                        | -.016                    | -.188                       |
|                              | Sig. (2-tailed)     | .246                        | .913                     | .181                        |
|                              | N                   | 52                          | 52                       | 52                          |

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

Table 20

MLQ Leadership Styles Related to Leadership Training in the Previous Three Years as Self-Rated by CEO

|                              |                     | Transformational Leadership | Transactional Leadership | Passive-Avoidant Leadership |
|------------------------------|---------------------|-----------------------------|--------------------------|-----------------------------|
| Hours of Leadership Training | Pearson Correlation | .285(*)                     | -.077                    | -.188                       |
|                              | Sig. (2-tailed)     | .031                        | .569                     | .162                        |
|                              | N                   | 57                          | 57                       | 57                          |

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

*Hypothesis 5: Leadership style will not significantly correlate with CEO age.*

*Hypothesis 6: Leadership style will not significantly correlate with CEO total years of experience.*

*Hypothesis 7: Leadership style will not significantly correlate with the hospital size or setting in which the CEO works.*

Age, years of experience, hospital size, and setting were correlated to leadership styles to determine areas of significant findings (Table 21). Analysis of age as a factor related to leadership style is reflected in table 21. While no correlation existed between age and transformational or transactional leadership, a moderate positive correlation ( $r = .457$ ,  $p < .001$ ) existed between CEO age and passive-avoidant behaviors and traits. Thus, the findings suggest that the older the CEO, the more passive-avoidant behaviors and traits they exhibit; and the younger the CEO, the fewer passive avoidant behaviors and traits they exhibit.

When analyzed, years of CEO experience showed moderate negative significant correlation to transformational leadership ( $r = -.313$ ,  $p < .005$ ) and transactional leadership ( $r = -.292$ ,  $p < .005$ ). Thus, transformational leadership had a moderate negative correlation with CEO age and years of experience, indicating that the older the CEO, the lower the transformational leadership mean; and the younger the CEO, the higher the transformational leadership mean.

Table 21

## Demographic Factors Related to Leadership Style

| Demographic Factors          |                     | Transformational Leadership | Transactional Leadership | Passive-avoidant Leadership |
|------------------------------|---------------------|-----------------------------|--------------------------|-----------------------------|
| Years of Experience          | Pearson Correlation | -.313(*)                    | -.292(*)                 | .084                        |
|                              | Sig. (2-tailed)     | .024                        | .036                     | .556                        |
|                              | N                   | 52                          | 52                       | 52                          |
| Age                          | Pearson Correlation | -.133                       | -.130                    | .457(**)                    |
|                              | Sig. (2-tailed)     | .336                        | .350                     | .000                        |
|                              | N                   | 54                          | 54                       | 54                          |
| Hours of Leadership Training | Pearson Correlation | .165                        | -.016                    | -.170                       |
|                              | Sig. (2-tailed)     | .243                        | .913                     | .211                        |
|                              | N                   | 52                          | 52                       | 52                          |
| Hospital Size                | Pearson Correlation | .106                        | .054                     | -.102                       |
|                              | Sig. (2-tailed)     | .423                        | .687                     | .456                        |
|                              | N                   | 59                          | 59                       | 59                          |

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

The leadership styles of CEOs were compared to hospital setting in which the CEOs worked using an independent-samples T test. The results indicated a significant variance in findings relative to transformational leadership style and hospital. Because the homogeneity of variance yielded a statistical significance in all setting types, a Kruskal-Wallis test was performed to identify the outliers and discover where the variability occurred (Table 22). The findings indicated that a significant difference is identified at the transactional leadership level. Further analysis of the data provided in Table 23 indicated that rural referral

hospital CEOs ranked significantly lower in transactional leadership means (2.10) than did CEOs in urban (2.64), rural (2.29) or critical access (2.43) hospitals. Table 23 provides information about the actual means, standard deviations, and standard error of measurement for the CEOs relative to hospital setting. The findings suggest that while CEOs with various levels of transformational, transactional, and passive-avoidant leadership styles were found in all hospital settings, transactional leadership scores were found to be significantly lower and passive-avoidant scores significantly higher in rural referral hospitals than in other settings. It is difficult to extrapolate significant information from those findings considering the low number of rural referral respondents (N=2).

Table 22

## Kruskal Wallis Test for Hospital Settings

|             | Transformational<br>Leadership | Transactional<br>Leadership | Passive-Avoidant<br>Leadership |
|-------------|--------------------------------|-----------------------------|--------------------------------|
| Chi-Square  | 4.232                          | 9.466                       | 5.805                          |
| <i>df</i>   | 3                              | 3                           | 3                              |
| Asymp. Sig. | .237                           | .024                        | .122                           |



Table 23

## MLQ Mean Scores of Leadership Styles Related to Hospital Settings

| Style                       | Setting         | N  | Mean     | Std. Deviation | Std. Error |
|-----------------------------|-----------------|----|----------|----------------|------------|
| Transformational Leadership | Urban           | 9  | 3.329956 | .2637902       | .0879301   |
|                             | Rural           | 23 | 3.190509 | .3519501       | .0733867   |
|                             | Rural Referral  | 2  | 3.471700 | .0480833       | .0340000   |
|                             | Critical Access | 26 | 3.203812 | .5459621       | .1070720   |
|                             | Total           | 60 | 3.226563 | .4317039       | .0557327   |
| Transactional Leadership    | Urban           | 9  | 2.641411 | .4085750       | .1361917   |
|                             | Rural           | 23 | 2.294961 | .3409856       | .0711004   |
|                             | Rural Referral  | 2  | 2.099200 | .0561443       | .0397000   |
|                             | Critical Access | 26 | 2.427050 | .3727793       | .0731080   |
|                             | Total           | 60 | 2.397642 | .3761677       | .0485630   |
| Passive-Avoidant Leadership | Urban           | 9  | .973222  | .8082496       | .2694165   |
|                             | Rural           | 23 | .871117  | .4330651       | .0903003   |
|                             | Rural Referral  | 2  | .511900  | .2483359       | .1756000   |
|                             | Critical Access | 26 | .982131  | .6634589       | .1301150   |
|                             | Total           | 60 | .922565  | .5956305       | .0768956   |

Age, gender, years of experience, hours of leadership training, hospital size, and setting were not significant or were only marginally correlated to CEO leadership style. As a result of the weakness of these noted demographic factors related to leadership style, predictor analyses were not performed.

## Chapter 5

SUMMARY, CONCLUSIONS, DISCUSSION, AND  
RECOMMENDATIONS

Leadership styles of hospital CEOs were characterized by a high level of transformational leadership behaviors, transactional behaviors and to a much lesser extent, passive-avoidant behaviors. Their leadership styles were not consistently related to their leadership training, gender, age, years of experience, stated values, or hospital size or setting in which they worked. Finally, these transformational CEOs, of both genders, perceived their own leadership style to be consistent with how others perceived them.

*1. Hospital CEOs demonstrated greater transformational and transactional leadership traits and behaviors than did leaders in three meta-analyses performed since 1992.*

The results of this study suggest that hospital CEOs had high levels of transformational leadership behaviors and traits that could serve their organizations well. These CEOs paired their high transformational leadership levels with elevated transactional leadership levels to create the best of both worlds (Table 6). Additionally, hospital CEOs had a mean ranking of passive-avoidant leadership that was lower than that identified by the meta-analysis studies of Bass (1999), Lowe et. al, (1996), and Gasper (1992).

The results related to organizational effectiveness bode well for hospital CEOs. Bass and Avolio (1989) and Avolio and Bass (1999) have found that transformational leaders generate higher levels of commitment from their followers than do transactional or passive-avoidant leaders. Greater follower compliance is also evident if leaders are more transformational than transactional (Patterson, Fuller, Kester, & Stringer, 1995). Morales and Molero (1995) found, in an experimental research design, that leaders are more legitimate in the eyes of the team if the leader is viewed as transformational. In addition, they discovered that role conflict and lower interpersonal relations improved when leaders improved their transformational behaviors. Transformational leadership has strong correlations with objective and subjective measures of performance and, as such, hospital CEO leadership styles are likely to make a positive contribution to the success of their organizations. These transformational hospital leaders can, therefore, be considered a significant asset to their organization.

The research of Bass and Avolio (2003) supports the need for strength in both transactional and transformational leadership when meeting the needs of an organization. Transactional leaders are said to work within the constraints of the organization, whereas transformational leaders change the organization (Bass, 1985; Waldman et al., 1990). Organizations need the both leadership styles in order to succeed.

Hospital CEOs possess that combination of strength in both transactional and transformational styles. As stated in Chapter Two, transformational leaders positively influence organizational effectiveness as it relates to improved finances (Bass, 1990), better work and productivity outcomes (Lowe et al., 1996); and, when combined with transactional leadership, results in enhanced potency, cohesion and success in an organization (Bass & Avolio, 2003). Bass and Avolio (2003) in their experimental research with the U.S. Navy further strengthened the augmentation effect that transformational leadership has on performance when combined with transactional leadership.

While transformational leadership, as defined in Chapter 2, is highly correlated with positive business outcomes such as financial success, low employee turnover, and employee productivity, passive-avoidant leadership styles offer no such correlation. Leaders with high passive-avoidant scores fail to intervene until problems become serious, wait to take action until mistakes are brought to their attention, avoid responsibility, are absent when needed, fail to follow up on requests for assistance, and resist expressing their views on important issues. Where such leadership behaviors exist, there is less satisfaction with the leader, less employee effort, and less employee effectiveness. Hospital CEOs were reported to exhibit very low passive-avoidant traits and behaviors which, when combined with their transformational and transactional

characteristics, should also contribute to their organizational success (Bass, 1999).

Healthcare leadership styles affect the desire of nurses to stay either at their current place of employment or leave the profession. Bycio (1995) analyzed 1,376 nurses and found that when their leaders were transformational in nature, there was a modest significant ( $p < .01$ ) relationship with intent to leave the nursing profession or their place of employment. The mean MLQ transformational scores for these leaders ranged from 1.32 – 2.08, suggesting that they exhibited transformational leadership once-in-a-while to sometimes. When a greater degree of transformational leadership existed, nurses expressed a reduced intent to leave the nursing profession or their employer. An increase in passive-avoidant leadership negatively correlated to increased intention to leave the profession and their place of employment. The impact of these findings on hospital CEOs is significant. Because healthcare executives struggle to recruit and retain highly qualified nurses in an increasingly competitive marketplace where aging demographic patterns will further complicate recruitment and retention, the executive must understand the impact of transformational leadership. It is critical that CEOs examine the merits of transformational leadership style, especially in the realm of employee retention. In view of Iowa's aging population, with hospitals needing to recruit and retain highly competent nurses, these studies

suggest that employees are more likely to be attracted to organizations where the CEOs are more transformational.

*2. Transformational leadership was highly correlated to rater extra effort and perceived effectiveness and satisfaction with the leader.*

The final nine questions in the MLQ addressed the raters' perception of leader effectiveness, the raters' satisfaction with the leaders and the raters' current level of extra effort expended. These factors enabled the researcher to move beyond descriptive findings of the leaders' style to assess how that style affected the associates' ratings of outcomes.

Significant and powerful correlations are supported in this research between the three outcome areas noted and the leaders' style. Strong levels of significance existed between the profile areas of extra effort, effectiveness and satisfaction, and the style of transformational leadership (Table 9). Moderate significant correlations existed between the three noted profile areas and transactional leadership. A moderate negative correlation existed between the three profile areas and the style of passive-avoidant leadership.

These findings replicate those of Gasper (1992), Patterson et al. (1995), Lowe (1996), Bass (1997), and Bass and Avolio (2003), who found that leaders who are seen as more satisfactory to associates and who are considered as more effective leaders are more transformational and less

transactional. Furthermore, Volkmann's research with nurses found that dissatisfaction and ineffectiveness were strongly associated with passive-avoidant leadership styles and associated with higher staff turnover. This study also supported Bass's findings in which employees say that they exert extra effort on behalf of transformational leaders. This effect was weaker with transactional leaders, and employees said that they exerted little effort for passive-avoidant leaders.

*3. CEO self-ratings were not significantly different from the ratings of their peers, superiors, subordinates, or unknown respondents.*

Hospital CEOs appear to be similar in their self-assessment to the ratings by others. CEOs not only have insight into their own leadership, but they also see themselves as others see them. These findings run contrary to much of the research about multi-rater feedback; a significant body of research suggests that leaders do not see their leadership in the same light as their associates do. Bass and Avolio (1999), Yammarino and Bass (1990), McEnvoy and Beaty (1989), and Wohlers and London (1989) reported that managers, when describing their own leadership, self-inflate or rate themselves higher than those who rate them.

However, an interesting phenomenon appears to emerge relative to transformational leadership and multi-rater assessments. When leader and rater scores align, it is typically the transformational leaders who rate themselves similar to others' ratings. Alimo-Metcalfe (1998) contributed to

this research with her findings that although managers' self ratings were generally less accurate than those of others when compared to objective criterion, more successful managers were *less likely* to inflate their self-ratings of leadership. In her study, ratings of leadership style revealed that the stronger the relationship between the managers' self-perceptions and those of their associates, the more likely managers were perceived as transformational. Therefore, it should not be surprising that hospital CEOs, with their high level of transformational characteristics, tend to see themselves as others see them. Transformational leaders, by definition, are likely to seek feedback from others and be concerned with the needs of others. Transformational leaders welcome input and feedback and, therefore, are more likely to integrate that input and feedback into their self-perceptions.

Self-awareness is a promising area for research around the topic of leadership. It is an area in which developmental activities could be targeted; where leaders could identify gaps between their self-perceived style and the perceptions of others and work to close them. Such research might best utilize gap-analysis to differentiate between observed and desired leadership behaviors and guide the leader in developing skills and behaviors needed to close the gap.

*4. The stated values of hospital CEOs do not significantly correlate with their self-defined or associate-defined leadership style.*



This study extended the multi-item assessment of the Rokeach Values Survey as outlined in the work done by Johnston (1995) by further dividing the defined instrumental and terminal values into collectivist and individualist subsets. Instrumental and terminal values, when subdivided into collectivist and individualist categories, revealed no significant differences or similarities related to leadership style. This researcher initially thought that transformational leaders, by virtue of engaging others, would be more collectivist in their values of importance; and that transactional leaders, with their focus on relational exchange, would emerge as more individualist in their values. The results revealed no such findings, but instead suggested that individuals can hold as important a wide variety of values and still possess varying leadership styles.

The RVS, unlike the MLQ, was completed only by the CEO and was not cross-validated or referenced by others. Values, as defined in the context of this study, reflect the self-perceptions of the CEO. While possible, it is unlikely that the CEOs' values were precisely those of the hospital organization. As with individual values, the values of an organization provide the underpinnings of behaviors, beliefs, and actions (Collins & Porras, 1994). Maslow (1954) believed that as individuals move from one level of his hierarchy to another, attitudes, perceptions, and values change in response to a set of newly acquired needs. Pendleton and King (2002) and Collins and Porras (1994) suggested that the same

was true for organizations; values shift within the context of movement from one level of hierarchy to the next. It is unknown the extent to which the CEOs' values affect or are affected by those of the hospital.

Values, when correlated with hospital size, CEO age, experience or leadership training, presented weak or insignificant findings. Therefore, it can be surmised from these findings that a wide variety of CEO values are apparent in Iowa hospitals and that CEO values are not specific to certain hospital sizes or settings. It is additionally possible that these results were not robust enough to show the relationship between leadership styles and value ratings. While values can be clustered into certain domains, these findings suggest that the domains are not correlated to certain leadership styles, CEO age, years of experience or hospital size or setting.

Hospital CEOs were similar in their rankings of importance for both terminal and instrumental values. Terminal value scores overwhelmingly indicated the importance to Iowa hospital CEOs of family security, and health and happiness. Other executives, activists and union members aligned with hospital CEOs and rated family security as one of their top three values (Frederick & Weber, 1990). Hospital CEOs were the only group of the four (executives, activists, union members, CEOs) to rank wisdom in their top five terminal values. It is unknown why wisdom emerges as a more important value to hospital CEOs than to executives,

activists and union members. Interviews with CEOs might further clarify their perception of the importance of wisdom within their value set.

Clearly, the instrumental values of honesty, responsibility, capability, and courage emerged as consistent values of importance to Iowa hospital CEOs. While the findings suggest that these top four values are consistent with other executives' values, we don't know if there are stronger differentiating factors, such as lowans, healthcare/hospitals, or CEOs.

Hospital CEOs ranked the instrumental values of politeness, obedience and cleanliness as least important of the 18 values. Findings do not indicate to what extent lowans, healthcare practitioners, or other CEOs rank these three values. It should be noted that differences in values interpretation might be based on underlying meanings of the words and phrases in the RVS and could account for the variability in rankings (Rokeach, 1973).

Hospital CEOs' top five values, in both terminal and instrumental realms, consistently aligned (60%-80%) with those of executives, union members, and activists. Because of the similarities among the values within these classes, it is not known whether these are universal personal values, values deemed most important to a culture, or some other phenomenon related to determining personal values.

*5. Female hospital CEOs, while statistically more transformational and less passive-avoidant than their male counterparts, do not demonstrate practical differences in their leadership styles.*

A statistically significant correlation between gender and leadership style was established in this study; however, that statistical significance did not translate to a practical difference. This study revealed significant findings for both the aggregate scores of the 290 associates (N=290) and the mean scores of the CEOs mean ratings (N=61). Two different analyses of the data (separating and clustering the population) indicated significant differences in the leadership styles of males and females. This interpretation served to strengthen the statistical validity of the findings, but did not change the practical findings. While statistically significant, the effect was less than three-tenths of one degree on a 0-4 Likert scale. Female CEOs were rated as exhibiting transformational behaviors and traits "fairly often" (mean of 3.44) and male CEOs were also rated as exhibiting transformational behaviors and traits "fairly often" (mean of 3.15). Therefore, while the means represent a statistically significant difference between the genders, there is no practical difference in how their behaviors and traits are perceived by others.

These findings are somewhat consistent with others (Bass & Avolio, 1994; Eagly, 2003; Helgesen, 1995) who suggested that female leaders had higher mean transformational scores than males. Yammarino

(1997) asserted that while females scored higher on transformational leadership profile areas than males, the effect size of that study was small and, therefore, offered no practical difference. Male CEOs in this study had statistically higher passive-avoidant means than did female leaders (Table 17); however, these findings offered no practical difference between gender and passive-avoidant style.

These findings are consistent with ongoing research on gender differences in leadership, which have shown a tendency toward similarity rather than differences (van Engen, van der Leeden, & Willemsen, 2001). Questions continue to arise about the organizational influences, cultural impact, and type of industry on gender and leadership.

Gender impact on associates' extra effort, satisfaction and effectiveness was also considered in this study. Findings revealed that females were statistically more likely to be rated higher by their associates in the area of satisfaction, with no difference between genders noted in the areas of extra effort and effectiveness. The practical significance of these findings is negligible. Since the link between transformational leadership and extra effort, effectiveness, and satisfaction has been well-documented in the MLQ research, it is logical that elevated scores are associated with the transformational leadership scores of the female CEOs.

Bass and Avolio (1994), used the MLQ to analyze the leader effectiveness, staff satisfaction, and extra effort relative to male and

female managers. Results of the studies conducted by this researcher were similar to those of Bass and Avolio. The 150 male and 79 female managers in Bass, et al's study were part of a multi-rater assessment. They concluded that female managers, on average, were viewed as more effective and satisfying to work for as well as more likely to generate extra effort from their associates than were male managers. Again, the practical correlation of these findings to the workplace requires closer scrutiny.

More comprehensive studies are needed to address organizations like hospitals, which are dominated by males at the executive level. Such studies could match or adjust for abilities predictive of leadership success. The healthcare industry is largely comprised of male senior level executives, with a second tier of leadership (nursing) largely dominated by females. Additional inquiry into the impact of these gender differences within healthcare organizations could further clarify current inconsistencies within the research.

*6. Leadership training, CEO age, years of experience, hospital size and setting failed to consistently emerge as significant correlates of leadership style.*

CEO leadership development was not significantly correlated to any specific leadership style. Ratings of the CEO indicated no correlation between leadership style and the number of hours of leadership training the CEO reported during the previous three-year period. A weak, but

statistically significant correlation appeared to exist between the CEO's self-rated leadership style and hours of leadership training. CEOs who rated themselves as more transformational also had a greater number of leadership training hours in the previous three years (Table 21). The lack of significant findings could be a function of the information that was asked of the CEO. The interpretation of "leadership training" is likely to differ among the CEOs. Some might have considered it to be any training in which they participated; or they might have been very specific about identifying only leadership training that focused on their individual development or any variation thereof.

Future considerations of *leadership* development might best start by clarifying its distinction from *leader* development. Leader development has a "goal of enhancing the individual's capacity and potential, such as self-awareness, self-regulation, and self-motivation" (Bass, Jung, Avolio, & Berson, 2003, p. 216). On the other hand, leadership development is widely considered a neglected area of leadership training and consists of developing an understanding of the "complex interaction between, and work with, leaders and followers and the context in which they operate" (Bass et al., 2003, p. 216). Within the context of transformational leadership and its impact on organizational outcomes, it appears that leadership development, with its focus on the leader, follower, and context, might have the greatest return on investment for leaders; and if it

had been captured as such, this study might have yielded different findings.

For example, this study might benefit from a further analysis of 1) the types of leadership training that took place, 2) the training goals of the CEO, and 3) the CEO's baseline capabilities. Such an analysis might further illuminate factors that influenced self-perceived leadership style and training. Further examination of the types of leadership training might lead to more robust findings relative to hospital CEOs' leadership styles.

Additional demographics were considered, including hospital size and setting, CEO age, and years of experience. Neither hospital size (in net revenue) nor setting (critical access, rural, rural referral, urban) was significantly correlated to leadership style. Survey results suggested that transformational, transactional, and passive-avoidant leaders were just as likely to work in one hospital setting as another or in one hospital size or another. Findings suggest that transformational leadership (the most effective style) may exist in every hospital regardless of size or setting. Similarly, passive-avoidant leadership (the least effective style) and transactional leadership may exist in any hospital size or setting.

Similarly, the personal factors of age and years of CEO experience did not serve as strong indicators of any particular leadership style; there is little existing research available in these areas. The results of this study suggest that individuals of all ages with varying amounts of CEO



experience in a variety of settings could emerge as transformational, transactional or passive-avoidant leaders, with higher passive-avoidant leadership styles correlating with increased CEO age at the moderate significance level. Even as we acknowledge the presence of transformational behaviors and traits in leaders of all ages and years of experience, we must also consider the presence of passive-avoidant behaviors and traits in leaders of all ages and years of experience.

Given the powerful impact of transformational leadership on organizational success, it is encouraging to note that hospitals in need of recruiting CEOs can consider wide variations in the ages and experiences of the potential candidates. Individuals of all ages and years of experience appear to be able to contribute to a hospital's success.

The conclusions of this study offer valuable information as hospitals prepare for the turnover or retirement of many of their CEOs. Hospital boards can look to the new CEO without focusing on age, gender, years of experience, or leadership training to determine the best fit. They can, more wisely, focus on the transformational, transactional and passive-avoidant tendencies of the prospective CEO to help guide their decision-making process.

#### Limitations of the study

One of the limitations of this study was the ability of the CEO to select how many and which associates to participate in the research.

Some CEOs chose not to ask any associates for their feedback. Others chose from one to six individuals to rate the CEO's leadership. The number of respondents at the various reporting levels (superior, peer, subordinate) was controlled by the CEO as was who they chose to participate in the study. As a result, the CEO may have avoided engaging others' participation for any number of reasons. In addition, the CEO could have engaged participants who were heavily supportive of the CEO, heavily critical of the CEO, or just the person who was most likely to complete the survey. The raters were not randomly selected and, as such, may have affected the results of the study. Therefore, while the results indicated raters see their CEOs as transformational and rater-leader scores highly correlate, results could have been compromised by the actual selection of the raters.

Each CEO had an unequal number of respondents who might have been equally rated in some of the calculations. Efforts were made to address this discrepancy by performing a mean of means test for the MLQ whenever possible to get the average of each respective CEO score in addition to the average of all 290 scores combined. As a result of the unequal number of respondents, or lack of respondents in some cases, each CEO score might have contributed greater or lesser weight to the overall means.

It is also important to note that only leadership of the individual CEOs was evaluated for this study, and that the executive groups or teams were not evaluated. Therefore, while the findings in this study address transformational leadership strength at the level of hospital CEOs, further investigation was not conducted to determine the degree to which transformational leadership extended within the organization. The hospitals' entire executive teams were neither evaluated to measure their transformational behaviors, nor was it determined if the CEOs had extended their leadership to create transformational cultures. Further research in this area would be necessary to assess the transformational depth within the organization and its impact on outcomes. These results could be confirmed by observations or interviews to better determine the discriminating factors among the leadership profile areas.

An additional limitation of this study is that it was purely quantitative and served as a snapshot in time. Neither feedback, nor the perspectives of the CEOs or other participants was elicited to further determine some of their responses to the findings or the research. A rich body of information exists within the hospital CEO population that might contribute greatly to these findings. Additionally, because of the single-point-in-time view of the leadership in Iowa hospitals, the researcher was unable to discover the long-term source of some of the relationships that existed. A longitudinal study could better evaluate the impact of changing

demographics, evolving leadership styles, and organizational impact related to the leader.

### Future Research

While this study provided valuable information about the current status of leadership in hospitals, more research is needed in this area.

Healthcare leadership research should seek to:

1. Determine the relationship between leadership styles and organizational outcomes in healthcare settings. Specific attention should be paid to the relationship between leadership style and the ability to recruit and retain healthcare staff.
2. Determine the degree to which transformational cultures permeate in healthcare organizations. Ascertain whether organizations become more transformational the longer the transformational leader is there. Such research should extend from the male-dominated CEO level to the female-dominated nurse-manager level.
3. Assess the value of transformational leadership training in healthcare. Does such training influence financial outcomes, employee satisfaction, extra effort, and perception of leader effectiveness?

4. Determine if hospital boards and recruiters can benefit from the use of a formal model to recruit, retain, and support transformational leaders in their organizations.

In summary, this study adds to a growing body of evidence that shows the presence of transformational, transactional and passive-avoidant leadership styles can be measured and that suggests those measurements can be used to advance our knowledge of the type of leadership that is vital to the success of healthcare organizations. Practical applications for hospital boards, CEOs, and managers relative to development, outcomes and performance are desirable areas of exploration for future leadership research.

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## APPENDIX A : MLQ Leader Form (5x-Short)

**Multifactor Leadership Questionnaire (MLQ)**  
**Leader Form (5x-Short)**

My Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Organization ID#: \_\_\_\_\_ Leader ID # \_\_\_\_\_

This questionnaire is to describe your leadership style as you perceive it. Please answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure of do not know the answer, leave the answer blank.**

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits you. The word "others" may mean your peers, clients, direct reports, supervisors, and/or all of these individuals.

| Not at all | Once in a while | Sometimes | Fairly often | Frequently,<br>if not always |
|------------|-----------------|-----------|--------------|------------------------------|
| 0          | 1               | 2         | 3            | 4                            |

1. I provide others with assistance in exchange for their efforts.....0 1 2 3 4
2. I re-examine critical assumptions to question whether they are appropriate.....0 1 2 3 4
3. I fail to interfere until problems become serious.....0 1 2 3 4
4. I focus attention on irregularities, mistakes, exceptions, and deviations from standards  
.....0 1 2 3 4
5. I avoid being involved when important issues arise.....0 1 2 3 4
6. I talk about my most important values and beliefs.....0 1 2 3 4
7. I am absent when needed.....0 1 2 3 4
8. I seek differing perspectives when solving problems.....0 1 2 3 4
9. I talk optimistically about the future.....0 1 2 3 4
10. I instill pride in others for being associated with me.....0 1 2 3 4
11. I discuss in specific terms who is responsible for achieving performance targets  
.....0 1 2 3 4
12. I wait for things to go wrong before taking action.....0 1 2 3 4
13. I talk enthusiastically about what needs to be accomplished.....0 1 2 3 4
14. I specify the importance of having a strong sense of purpose.....0 1 2 3 4
15. I spend time teaching and coaching .....0 1 2 3 4

16. I make clear what one can expect to receive when performance goals are achieved.  
.....0 1 2 3 4
17. I show that I am a firm believer in "If it ain't broke, don't fix it.....0 1 2 3 4
18. I go beyond self-interest for the good of the group.....0 1 2 3 4
19. I treats others as individuals rather than just as a member of a group.....0 1 2 3 4
20. I demonstrate that problems must become chronic before taking action.....0 1 2 3 4
21. I acts in ways that build others' respect of me.....0 1 2 3 4
22. I concentrate my full attention on dealing with mistakes, complaints, and failures  
.....0 1 2 3 4
23. I consider the moral and ethical consequences of decisions .....0 1 2 3 4
24. I keeps track of all mistakes.....0 1 2 3 4
25. I display a sense of power and confidence.....0 1 2 3 4
26. I articulates a compelling vision of the future.....0 1 2 3 4
27. I direct my attention toward failures to meet standards.....0 1 2 3 4
28. I avoid making decisions.....0 1 2 3 4
29. I consider an individual as having different needs, abilities, and aspirations from others  
.....0 1 2 3 4
30. I get others to look at problems from many different angles.....0 1 2 3 4
31. I help others develop their strengths.....0 1 2 3 4
32. I suggest new ways of looking at how to complete assignments.....0 1 2 3 4
33. I delay responding to urgent questions.....0 1 2 3 4
34. I emphasize the importance of having a collective sense of mission.....0 1 2 3 4
35. I express satisfaction when others meet expectations.....0 1 2 3 4
36. I expresses confidence that goals will be achieved.....0 1 2 3 4
37. I am effective in meeting others' job-related needs.....0 1 2 3 4
38. I use methods of leadership that are satisfying.....0 1 2 3 4
39. I get others to do more than they expected to do.....0 1 2 3 4
40. I am effective in representing others to higher authority.....0 1 2 3 4
41. I work with others in a satisfactory way.....0 1 2 3 4
42. I heighten others' desire to succeed.....0 1 2 3 4
43. I am effective in meeting organizational requirements.....0 1 2 3 4
44. I increase others' willingness to try harder.....0 1 2 3 4
45. I lead a group that is effective.....0 1 2 3 4

## APPENDIX B: MLQ Rater Form (5x-Short)

Multifactor Leadership Questionnaire (MLQ)  
Rater Form (5x-Short)

Name of Leader: \_\_\_\_\_ Date: \_\_\_\_\_  
 Organization ID#: \_\_\_\_\_ Leader ID #: \_\_\_\_\_

IMPORTANT (necessary for processing): Which best describes you?

- \_\_\_\_\_ I am at a higher organizational level than the person I am rating  
 \_\_\_\_\_ The person I am rating is at my organizational level  
 \_\_\_\_\_ I am at a lower organizational level than the person I am rating  
 \_\_\_\_\_ I do not wish my organizational level to be known.

This questionnaire is to describe the leadership style of the above mentioned individual as you perceive it. Please answer all items on this sheet. **If an item is irrelevant, or if you are unsure of do not know the answer, leave the answer blank.** Please answer this questionnaire anonymously.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing. Use the following rating scale:

| Not at all | Once in a while | Sometimes | Fairly often | Frequently,<br>if not always |
|------------|-----------------|-----------|--------------|------------------------------|
| 0          | 1               | 2         | 3            | 4                            |

*The Person I Am Rating...*

1. Provide me with assistance in exchange for my efforts.....0 1 2 3 4
2. Re-examines critical assumptions to question whether they are appropriate.....0 1 2 3 4
3. Fails to interfere until problems become serious.....0 1 2 3 4
4. Focuses attention on irregularities, mistakes, exceptions, and deviations from standards  
.....0 1 2 3 4
5. Avoids being involved when important issues arise.....0 1 2 3 4
6. Talks about their most important values and beliefs.....0 1 2 3 4
7. Is absent when needed.....0 1 2 3 4
8. Seeks differing perspectives when solving problems.....0 1 2 3 4
9. Talks optimistically about the future.....0 1 2 3 4
10. Instills pride in others for being associated with him/her.....0 1 2 3 4
11. Discusses in specific terms who is responsible for achieving performance targets  
.....0 1 2 3 4
12. Waits for things to go wrong before taking action.....0 1 2 3 4
13. Talks enthusiastically about what needs to be accomplished.....0 1 2 3 4
14. Specifies the importance of having a strong sense of purpose.....0 1 2 3 4
15. Spends time teaching and coaching .....0 1 2 3 4

16. Makes clear what one can expect to receive when performance goals are achieved  
.....0 1 2 3 4
17. Shows that he/she is firm believer in "If it ain't broke, don't fix it.....0 1 2 3 4
18. Goes beyond self-interest for the good of the group.....0 1 2 3 4
19. Treats me as an individual rather than just as a member of a group.....0 1 2 3 4
20. Demonstrates that problems must become chronic before taking action.....0 1 2 3 4
21. Acts in ways that builds my respect.....0 1 2 3 4
22. Concentrates his/her full attention on dealing with mistakes, complaints, and failures  
.....0 1 2 3 4
23. Considers the moral and ethical consequences of decisions .....0 1 2 3 4
24. Keeps track of all mistakes.....0 1 2 3 4
25. Displays a sense of power and confidence.....0 1 2 3 4
26. Articulates a compelling vision of the future.....0 1 2 3 4
27. Directs my attention toward failures to meet standards.....0 1 2 3 4
28. Avoids making decisions.....0 1 2 3 4
29. Considers me as having different needs, abilities, and aspirations from others.....0 1 2 3 4
30. Gets me to look at problems from many different angles.....0 1 2 3 4
31. Helps me to develop my strengths.....0 1 2 3 4
32. Suggests new ways of looking at how to complete assignments.....0 1 2 3 4
33. Delays responding to urgent questions.....0 1 2 3 4
34. Emphasizes the importance of having a collective sense of mission.....0 1 2 3 4
35. Expresses satisfaction when I meet expectations.....0 1 2 3 4
36. Expresses confidence that goals will be achieved.....0 1 2 3 4
37. Is effective in meeting my job-related needs.....0 1 2 3 4
38. Uses methods of leadership that are satisfying.....0 1 2 3 4
39. Gets me to do more than I expected to do.....0 1 2 3 4
40. Is effective in representing me to a higher authority.....0 1 2 3 4
41. Works with me in a satisfactory way.....0 1 2 3 4
42. Heightens my desire to succeed.....0 1 2 3 4
43. Is effective in meeting organizational requirements.....0 1 2 3 4
44. Increases my willingness to try harder.....0 1 2 3 4
45. Leads a group that is effective.....0 1 2 3 4

## APPENDIX C: RVS Ranking Form

**Rokeach Value Survey**  
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On the following two pages are two lists of values, each in alphabetical order. Each value is accompanied by a short description and a blank space. Your goal is to rank each value in its order of importance to you for each of the two lists. Study each list and think of how much each value may act as a guiding principle in your life.

To begin, select the value that is of most importance to you. Write the number 1 in the blank space next to that value. Next, choose the value is of second in importance to you and write the number 2 in the blank next to it. Work your way through the list until you have ranked all 18 values on this page. The value that is of least importance to you should appear in Box 18.

When you have finished ranking all 18 values, turn the page and rank the next 18 values in the same way. **Please do each page separately.**

When ranking, take your time and think carefully. Feel free to go back and change your order should you have second thoughts about any of your answers. When you have completed the ranking of both sets of values, the result should represent an accurate picture of how you really feel about what's important in your life.

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**A Comfortable Life**

A prosperous life

\_\_\_\_\_

**Equality**

Brotherhood and equal opportunity for all

\_\_\_\_\_

**An Exciting Life**

A stimulating, active life

\_\_\_\_\_

**Family Security**

Taking care of loved ones

\_\_\_\_\_

**Freedom**

Independence and free choice

\_\_\_\_\_

**Health**

Physical and mental well-being

\_\_\_\_\_

**Inner Harmony**

Freedom from inner conflict

\_\_\_\_\_

**Mature Love**

Sexual and spiritual intimacy

\_\_\_\_\_

**National Security**

Protection from attack

\_\_\_\_\_

*Terminal Values***Pleasure**

An enjoyable, leisurely life

\_\_\_\_\_

**Salvation**

Saved; eternal life

\_\_\_\_\_

**Self-Respect**

Self-esteem

\_\_\_\_\_

**A Sense of Accomplishment**

A lasting contribution

\_\_\_\_\_

**Social Recognition**

Respect and admiration

\_\_\_\_\_

**True Friendship**

Close companionship

\_\_\_\_\_

**Wisdom**

A mature understanding of life

\_\_\_\_\_

**A World at Peace**

A world free of war and conflict

\_\_\_\_\_

**A World of Beauty**

Beauty of nature and the arts

\_\_\_\_\_

**Ambitious**  
Hardworking and aspiring

**Broad-minded**  
Open-minded

**Capable**  
Competent; effective

**Clean**  
Neat and tidy

**Courageous**  
Standing up for your beliefs

**Forgiving**  
Willing to pardon others

**Helpful**  
Working for the welfare of others

**Honest**  
Sincere and truthful

**Imaginative**  
Daring and creative

**Independent**  
Self-reliant; self-sufficient

**Intellectual**  
Intelligent and reflective

**Logical**  
Consistent; rational

**Loving**  
Affectionate and tender

**Loyal**  
Faithful to friends or the group

**Obedient**  
Dutiful; respectful

**Polite**  
Courteous and well-mannered

**Responsible**  
Dependable and reliable

**Self-controlled**  
Restrained; self-disciplined

**Instrumental Values**



## APPENDIX D: HardiSurvey (PVSII-R)

- |    |               |
|----|---------------|
| 1- | not at all    |
| 2- | a little true |
| 3- | mostly true   |
| 4- | very true     |

## HardiSurvey (PVSIII-R)

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|  |   |   |   |   |
|--|---|---|---|---|
| 1. By working hard, you can always achieve your goal.                | 1 | 2 | 3 | 4 |
| 2. I don't like to make changes in my everyday schedule.             | 1 | 2 | 3 | 4 |
| 3. I really look forward to my work.                                 | 1 | 2 | 3 | 4 |
| 4. I am not equipped to handle the unexpected problems of life.      | 1 | 2 | 3 | 4 |
| 5. Most of what happens in life is just meant to be.                 | 1 | 2 | 3 | 4 |
| 6. When I make plans, I am certain I can make them work.             | 1 | 2 | 3 | 4 |
| 7. No matter how hard I try, my efforts usually accomplish little.   | 1 | 2 | 3 | 4 |
| 8. I like a lot of variety in my work.                               | 1 | 2 | 3 | 4 |
| 9. Most of the time, people listen carefully to what I have to say.  | 1 | 2 | 3 | 4 |
| 10. Thinking of yourself as a free person just leads to frustration. | 1 | 2 | 3 | 4 |
| 11. Trying your best at what you do usually pays off in the end.     | 1 | 2 | 3 | 4 |
| 12. My mistakes are usually very difficult to correct.               | 1 | 2 | 3 | 4 |
| 13. It bothers me that my daily routine gets interrupted.            | 1 | 2 | 3 | 4 |
| 14. I often wake up eager to take up life wherever it left off.      | 1 | 2 | 3 | 4 |
| 15. Lots of times, I really don't know my own mind.                  | 1 | 2 | 3 | 4 |
| 16. Change in routine provokes me to learn.                          | 1 | 2 | 3 | 4 |
| 17. Most days, life is really interesting and exciting for me.       | 1 | 2 | 3 | 4 |
| 18. It's hard to imagine anyone getting excited about working.       | 1 | 2 | 3 | 4 |



## APPENDIX E: CEO Biographical Information

**Biographical information:**

CEO Name: \_\_\_\_\_

Number of years of hospital CEO experience: \_\_\_\_\_

Age \_\_\_\_\_ Gender \_\_\_\_\_

Approximate hours of leadership training you have had in the past three years \_\_\_\_\_

---

**CEO Survey Requests:**

Please send me (CEO) the following upon completion of the research:

- ☐ Summary of leadership style multi-rater assessment  
(if 4 or more individuals respond)
- ☐ Summary of hardiness survey
- ☐ Executive summary of comprehensive findings
- ☐ Information about how to purchase greater detail of  
surveys from the publishers

Additional comments/requests:

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Thank you for your participation.

Lynn Janssen



## APPENDIX F: CEO Instructions/Release Form

Dear Hospital CEO:

My name is Lynn Janssen and I am a doctoral student in the Educational Leadership program at Drake University in Des Moines, Iowa. I am conducting a research study to explore the relationships between Iowa Hospital Chief Executive Officers' (CEO) leadership styles and their personal values. In addition, I will be exploring the relationships between the CEO's leadership styles and the hospital size and setting as well as the CEO's years of experience, age, and gender and leadership training.

To assist with this research I am asking that you complete the following surveys: 1) a 45-item questionnaire about your leadership behaviors, 2) a four item biographical questionnaire (age, gender, years as a CEO and number of hours of leadership training in the past three years), 3) a 36-item values inventory, and 4) an 18-item hardiness survey. Completion of the surveys should take approximately 20 minutes. It is asked that you complete the survey and return it by February 13, 2004 in the attached self-addressed, stamped envelope.

In addition, it is requested that you provide one of the surveys (the Multifactor Leadership Questionnaire, MLQ) to six other individuals for completion of the 45-item questionnaire about your leadership. If possible, those individuals should include two supervisors (board members), two peers (fellow CEOs or consumers), and two subordinates (employees). If that mix cannot be secured, any six associates familiar with your leadership work may complete the survey.

In order to maintain anonymity, the individual results of the surveys will be seen only by my doctoral advisor and me. Summaries of your individual values and hardiness surveys will be provided to you at your request. The summarized results of the 360° (MLQ multi-rater) survey will be made available to you, at your request, if four or more individuals complete the 360° questionnaire about your leadership. This will allow us to assure rater anonymity. An executive summary of the comprehensive findings will be provided to all participating CEOs.

The authors and publishers of the MLQ and hardiness survey have agreed to make more detailed, personalized analysis of results available if the CEO is willing to pay for the full interpretation. The fees for interpretation, payable to the publisher, range from \$20 - \$50 per survey tool.

The survey results will remain **anonymous** (coded by CEO name to allow later matching) and your participation is **completely voluntary**. Also, you may **withdraw your participation** at any time during this process. Finally, please be advised that these results will be presented in an aggregate form and **will not be released or published as individual CEO studies**. Although the complete results of the study may be published, your **name or that of your hospital will not be known**. If you have any questions, please contact Lynn Janssen at 515-223-6620, ext. 222 or via email at [lynnjpremier@aol.com](mailto:lynnjpremier@aol.com). Your signature on this form will be considered your consent to participate. Thank you, in advance, for your assistance.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Hospital Name/Location: \_\_\_\_\_

## APPENDIX G: Participant Instructions/Release Form

Dear Associate of Iowa Hospital CEO:

My name is Lynn Janssen and I am a doctoral student in the Educational Leadership program at Drake University in Des Moines, Iowa. I am conducting a research study to explore the relationships between Iowa Hospital Chief Executive Officers' (CEO) leadership styles and their personal values. In addition, I will be exploring the relationships between the CEO's leadership style and the size and setting of the hospitals they serve as well as the CEO's years of experience, age, and gender, and leadership training. To assist with this research I am asking that you complete the following 45-item questionnaire about the leadership behaviors of your hospital CEO. Completion of the survey should take approximately 10 minutes to complete.

The survey results will remain **anonymous** (coded by CEO NAME to allow later matching) and your participation is **completely voluntary**. Also, you may **withdraw your participation** at any time during this process. Finally, please be advised that this information is for research purposes only and that the results will be presented in an aggregate form and **will not be released or published as individual CEO studies**. While the complete results of the study may be published, your name or that of your hospital or CEO will not be known.

The CEO has been afforded the opportunity to receive a report of the collective responses if four or more raters respond to the 360° assessment. This is done to further assure anonymity of the respondents. **Your individual results will not be made available to the CEO or any other entity**. If you have any questions, please contact Lynn Janssen at 515-223-6620, ext. 222 or via email at [lynnjpremier@aol.com](mailto:lynnjpremier@aol.com). Return of the completed survey in the attached stamped and addressed envelope will be considered your consent to participate.

*Please complete the attached survey and  
mail in the attached addressed envelope by  
February 13, 2004.*

*Thank you for your participation.*